

THE OHIO STATE UNIVERSITY
OFFICIAL PROCEEDINGS OF THE
ONE THOUSAND FOUR HUNDRED AND THIRTY-FIRST MEETING
OF THE BOARD OF TRUSTEES

Columbus, Ohio, May 31 and June 1, 2007

The Board of Trustees met at its regular monthly meeting on Thursday, May 31, and Friday, June 1, 2007, at The Ohio State University Longaberger Alumni House, Columbus, Ohio, pursuant to adjournment.

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Minutes of the last meeting were approved.

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The Chairman, Dr. Cloyd, called the meeting of the Board of Trustees to order on Thursday, May 31, 2007, at 6:00 pm. He requested the Secretary to call the roll.

Present: G. Gil Cloyd, Chairman, Karen L. Hendricks, Dimon R. McFerson, Jo Ann Davidson, John D. Ong, Douglas G. Borrer, Walden W. O'Dell, Alex Shumate, Brian K. Hicks, John C. Fisher, Robert H. Schottenstein, Alan W. Brass, Thekla R. Shackelford, Algenon L. Marbley, and Christopher Alvarez-Breckenridge.

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Dr. Cloyd:

In a moment we will be taking a roll call vote to go into Executive Session; that vote will conclude all formal Board action for the day beyond recessing the Board meeting until tomorrow morning. I'll remind you that the Board will reconvene tomorrow morning at 9:00 am.

I hereby move that the Board recess into Executive Session for the purposes of considering personnel matters regarding employment and compensation and to consult with legal counsel regarding pending or imminent litigation. May I have a second?

Upon motion of Dr. Cloyd, seconded by Amb. Ong, the Board of Trustees adopted the foregoing motion by unanimous roll call vote, cast by Trustees Cloyd, Hendricks, McFerson, Davidson, Ong, Borrer, O'Dell, Shumate, Hicks, Fisher, Schottenstein, Brass, Shackelford, and Marbley.

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Dr. Cloyd reconvened the meeting on Friday, June 1, 2007, at 9:00 am.

Present: G. Gil Cloyd, Chairman, Karen L. Hendricks, Dimon R. McFerson, Jo Ann Davidson, John D. Ong, Douglas G. Borrer, Leslie H. Wexner, Walden W. O'Dell, Alex Shumate, Brian K. Hicks, John C. Fisher, Robert H. Schottenstein, Alan W. Brass, Thekla R. Shackelford, Algenon L. Marbley, Christopher Alvarez-Breckenridge, and Debra J. Van Camp.

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INTRODUCTION OF NEW TRUSTEES

Dr. Cloyd:

I would like to take a moment to welcome our two new trustees who were appointed yesterday by Governor Strickland.

Debra Van Camp is our new student trustee who will serve a two-year term. Deb, from Lancaster, Ohio, is one of our land-grant scholars and an honors undergraduate student in Food Science and Technology, with a minor in Agricultural Business and Applied Economics. Welcome, Deb, it is great to have you with us.

Judge Algenon Marbley, of Columbus, was appointed to the U.S. District Court for the Southern District of Ohio, Eastern Division, in 1997. He was a partner with the law firm Vorys, Sater, Seymour and Pease, and received his undergraduate degree from the University of North Carolina and his J.D. degree from Northwestern University. He succeeds Robert Duncan on the Board for a nine-year term expiring May 13, 2016.

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We are honored to have you join our Board, Judge. Judge Marbley and Deb, welcome.

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PRESIDENT'S REPORT

President Karen A. Holbrook:

I, too, want to welcome our two new Board members. The Governor made excellent choices and they will be terrific additions. Both of you are going to have a wonderful time being on this Board.

Since this is my last Board meeting, and the last time I will be with this group as a whole, I thought that I would take the opportunity to say thank you. Thank you to everyone on the Board and thank you to my colleagues around the room for the opportunity to have served this great University for five years.

When I came, we started out looking at the Academic Plan and where we were going. I am going to conclude my tenure here by looking back, again, at the Academic Plan and reminding people of where we started out and the things that have happened since I've been here. The Academic Plan still serves us very well and has been a great guide during these five years and will continue to be so until it gets refreshed. I think it is very important that it does get refreshed, because there are some things that are probably missing and some things that need to be updated no matter what year it is.

Building a world-class faculty was the first goal and we have a world-class faculty. At virtually every meeting we indicate some wonderful award that our faculty members have received. I can't tell you how thrilled I was to learn that Lonnie Thompson has received the National Medal of Science. What a phenomenal award for Lonnie to receive and what a phenomenal award for any faculty member in a university to receive. This is top recognition of excellence that is just beyond comparison. That is an example of what our faculty are doing at this University and we are extremely fortunate to have one of the top ranked faculties in the nation.

The second goal was to build academic programs that define Ohio State as the leading public land-grant university, with the idea that we would build programmatic strengths and new fields that capture our opportunities with many multi-disciplinary programs. I think that has been done rather dramatically as well with many new programs that have been put together, because this is what students want and this is the way to prepare students for the future. Not just simply in one discipline, but as disciplines intersect and cross those are constantly going on in virtually every department where colleges get together and the boundaries and the silos are broken down and these are the way we solve the problems in the world. This is a university that has done that extremely well.

The third goal is to enhance the quality of teaching and learning environment. All one has to do is look back over the last five or ten years and see what kind of a campus this has become with the teaching facilities and learning environments for our students that are also extraordinary. From Hagerty Hall -- where students can connect in real time with their colleagues around the world -- to the Fisher College of Business, which is a campus in itself and one of the finest in the nation for students in business. Virtually any single facility around the campus that has been put in place is one that is serving our students in an exemplary manner.

The fourth goal is to enhance and better serve the student body and we do that all of the time and we have done it with selective admissions. When you look at the quality of students coming in, it shows what we have done to bring in better students is something that is making a difference simply because we are getting far better students. We have invested in scholarship dollars. Our new student trustee is a wonderful example of someone that has come in because of an innovative solution to help bring in students who are extremely well-qualified academically and may need some financial support. The Land-Grant Scholarship Program has brought in – now the third class will be coming in this fall – exemplary students. All you have to do is look at the 181-credit hours, the opportunities that we have put in front of students in research and international study abroad, and a whole array of things that every college has done to better serve our student body.

The fifth goal was to create a diverse university community and this is always on our agenda. Whether we look at racial diversity, gender diversity, or other forms of diversity, this is something that The Ohio State University has taken and continues to take very seriously in everything that we do. We look at all of our goals through the lens of diversity and the kinds of people that we bring together on this campus whether it is faculty, students, or staff.

The final goal was to help build Ohio's future. I have always said that if we live up to goals one through five, then we are meeting the standards for goal six – build Ohio's future. Our goal is to make Ohio State distinctive as a land-grant university and do very important things in outreach and engagement, and research and technology transfer. If we look back on what we have done in research it has been an extraordinary time -- going from \$426 million to \$652 million in externally-sponsored research. Not just for faculty, that research money translates into opportunities for students. For those of you who attended the Academic and Student Affairs Committee meeting this morning, we heard from three students who talked about their Denman Research projects. Those are three out of over 300 projects that were presented, and every one of them is an exceptional piece of work.

In helping build Ohio's future, I would like to see that we help build the nation's future and the global future. This University has an opportunity to prepare students who are global citizens of the world and we do it in so many ways. Our international task force that has been put together is now documenting that very well and codifying the things that we can do as an institution to become even stronger in terms of preparing students for the global environment and to connecting all over the world.

I just came back from Turkey last night where Ohio State has connections with Yeditepe University in Istanbul and Atatürk University in Erzurum. The difference that it makes to them and to us, and to have these kinds of relationships all over the world is simply phenomenal. The last university we visited was started by the University of Nebraska as a land-grant university and we celebrated 50 years of their history and our relationship with that university.

The kinds of outreach programs globally are extraordinary in this University and make such a difference for our students in thinking about other people and thinking about peace. There is nothing like the connection between education and peace. The more of these relationships that we have through our University and the more that our students connect, the better off we are. I think the Academic Plan has served us very well. I thank you all and I am very proud to have been sitting in my position for five years. Thank you very much.

Dr. Cloyd:

Thank you, President Holbrook. I think that is an excellent summary of what this University is all about, the wonderful contribution that it is making today, and the real advances that have occurred over the last five years. Congratulations and thank you.

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STUDENT RECOGNITION AWARD

Mr. Alvarez-Breckenridge:

The Student Recognition Award is presented each month by the Board of Trustees to a student in honor of their achievement in his or her area of study, service to the University and/or community, and research achievements that have been a credit to the college and the University.

This month's recipient, Brian Fangman, from Vandalia, Ohio, was nominated by Dean Carole Anderson from the College of Dentistry. Brian is a fourth-year student who will be graduating this month from the College of Dentistry. Today Brian is accompanied by Dean Carole Anderson, Associate Dean Cheryl DeVore, Dr. Henry Fischbach, Dr. Peter Larsen, and his wife, Lillian.

Prior to enrolling into dental school, Brian spent his undergraduate years at Ohio State while receiving a B.S. degree in biology with an emphasis in anatomy. During his undergraduate years, Brian had the opportunity to study abroad in Mexico. While studying there, he became fluent in Spanish and this ultimately influenced his desire to reach out to the Hispanic population.

As a dental student, Brian has upheld a strong academic performance and scored in the top percentile of the National Board Examination. Most commendable, however, come from the words of Dean Anderson as she describes Brian as "an excellent student in a demanding professional curriculum [while] still finding time to be of assistance to others....He possesses personal qualities such as curiosity, an intense desire to learn, compassion, and a strong work ethic that has and will continue to serve him very well in his personal and professional life."

Along the lines of reaching out to others, Brian participated on a Dental Mission with Health Professionals Serving Humanity. This trip took Brian to Honduras. Additionally, Brian has served as the president of the OSU student chapter of The Hispanic Dental Association, as well as the president and director of La Clinica Latina Dental Clinic. These accomplishments have not been overlooked as Brian has been awarded with several awards, including the American Dental Education Association/Listerine Preventive Dentistry Scholarship, the Basch Memorial Scholarship Award, and the Arden D. Hegtvædt Student Research Scholarship. This later scholarship is awarded to a student who displays outstanding achievement and ability in communication and patient management skills.

With these academic and service accomplishments, Brian has placed himself in a position to excel as an oral and maxillofacial surgeon after participating in a four-year training program at Nassau University Medical Center in Long Island, New York.

Brian, on behalf of the Board of Trustees, I am very pleased to present this award to you today. Your achievements are truly remarkable and you are

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indeed an outstanding student. Congratulations and best of luck in your future endeavors!

Mr. Brian J. Fangman:

Christopher, thank you for your kind words. I have had the privilege to work here as a student employee since September 1998, and I can tell you that this is one of the highlights of my education. I really appreciate your consideration of the nomination for this award.

Dean Anderson, thank you very much for the nomination. It is definitely something very special. I appreciate it. Thanks to my wife, Lilly, who has been a constant support, I am very fortunate to have her in my life.

Early in my studies, I began to realize how privileged I was to pursue a career in dentistry. The privilege I speak of is not material in nature, but the benefit you receive from someone else's time and talent. With that said, I feel that I have been privileged all of my life from the nurturing of my parents to the experiences of my college and dental school faculty. I have always been aware and appreciative of the time and experiences others have shared with me for I know that is what has allowed me to become who I am today. Experience, whether professional or personal, shapes us into who we are. They allow us to set goals, learn from your mistakes, and find out what is important to you. There is only one thing, you cannot obtain these life experiences without selfless people willing to mentor and share their own experiences. I have invited three such people here today.

Dean DeVore, your door has always been open and you are very easy to approach. You always have students' best interests at heart and we really appreciate you. Dr. Fischbach, you have helped me develop as a clinician and a leader through your support with the La Clinica Latina Dental Clinic and Hispanic Dental Association. I have learned a lot from your dedication. And Dr. Larsen, the knowledge and experiences that you have shared with me in the classroom and during the trip to Honduras, have truly inspired me more than you can imagine. I appreciate your mentorship and look forward to the next four years in oral surgery. I am sure I will be giving you a call with a few questions. The time that I have shared with each of you is irreplaceable and you have made a great impact on me professionally and personally. Thank you, again, for sharing your time to be with me today. It means the world to me.

To all of you, thank you very much, I really appreciate it.

Dr. Cloyd:

Brian, again, congratulations and all the very best in the future. You have made wonderful contributions to-date and you bring to life what President Holbrook just outlined in the start of her address when she described what this great University is all about – its diversity, its global scope, its service, and great academic qualities. Thank you.

Mr. Fangman:

These faculty create such a foundation for people to build off of and none of this would be possible, and I wouldn't be here today, if it wasn't for them. This is as much their award as it is mine. Thank you very much.

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MEDICAL CENTER REVIEWS

Mr. William J. Shkurti:

Chris and I agreed that I will lead off and talk about the Medical Center Facilities Master Plan and then he will follow-up and talk about the governance review of The James Cancer Hospital and Comprehensive Cancer Center. I want to stress that this is a preliminary report and that there is still a lot of work to be done, but we thought it would be useful for the whole Board to be briefed on where we are because of the importance of this project.

The Medical Center Facilities Master Plan is a \$780 million capital project, which makes it the largest in the history of the University. Therefore it is important that the project be done in a timely way, but also carefully planned and executed. The Board initiated a process at the beginning of the year to review the Medical Center Facilities Master Plan. The first step of that process was to create a special Task Force that included: Mr. Brass, Judge Duncan, Mr. McFerson, Amb. Ong, and Mr. Wexner. The second step was to hire consultants who were experts in this area to advise the University and the Task Force. After a competitive process, two consultants were picked: 1) Deloitte and Touche, who most of you are familiar with; and 2) Hammes Company. Although Hammes doesn't do a lot of work in Central Ohio, they are a company that specializes in second opinions on medical facility construction and those second opinions are done very often in the private sector.

Four components were highlighted for the consultants to review: 1) the Medical Center Strategic Plan, with Deloitte leading that effort; 2) the five-year financial plan for the Medical Center, with Deloitte also leading that effort; 3) the Medical Center Facilities Master Plan itself, with Hammes leading that effort; and 4) the financial relationships between The James and The Ohio State University Medical Center, with Hammes also leading that effort. Although different consulting teams led each effort, we stressed with them -- and they worked very hard to make sure that happened -- that these efforts were to be coordinated, because one affects the other.

At the time the consultants were hired, we asked them to provide us with a preliminary report in 30 days and a final report in 60 days, because there was a concern about having this done in a timely way. The official clock started on April 6, so we are running about a month behind. We felt it was more important to take the time to do this correctly, than it was to rush through to meet an artificial deadline.

The report I will be relaying to you today also reflects the outcome of several discussions and meetings that the Task Force has had, including the most recent discussion on May 16 with the consultants. What I will talk about are three things: 1) the review of the preliminary conclusions that the consultants have relayed to us; 2) discuss the implications of the Master Plan for the University; and 3) recommend what should happen next. I would like to point out that there is a summary of all of this material in your Board books, but some things have changed since you received the material last week because of this dynamic situation.

Let me first turn to the preliminary conclusions. I think that the external consultants have spent considerable time reading the various documents supporting the plans and interviewing stakeholders in order to be able to comment on these issues. Deloitte has identified five risk areas that they feel merit further review: 1) strategic and organizational; 2) market and competitive; 3) financial; 4) service and quality; and 5) execution. In the

interest of time I will not go through all of these, but if there are any questions I will be happy to elaborate on the specifics.

The Hammes Company identified four specific risk areas that they want to do additional work on: 1) an extension on the proposed schedule due to existing and potential delays; 2) lack of consensus on the current Medical Center Facilities Master Plan among major stakeholders and its subsequent phases; 3) the adequacy of allowances for unknown items in the current project budget; and 4) the funds flow between the OSUMC and The James, which in the opinion of Hammes -- and I would agree -- currently provides benefits to both the Medical Center and The James from the shared service arrangement and access to patient care and ancillary services. Hammes pointed out that a risk exists should there be increased separation between The James and the Medical Center, and if it is not done properly it could lead to greater costs for both entities and that is something we don't want.

Deloitte and Hammes both have observed that there is agreement among the key stakeholders -- both within the Medical Center and the University -- that we want the academic Medical Center to become a top-tier medical center and we want the Comprehensive Cancer Center to be a top ten comprehensive cancer center. However, there is not alignment as to the relative priority of these goals and how these relate to the Medical Center Facilities Master Plan and I will elaborate on that.

First, the consultants concluded that the lack of alignment among some of the stakeholders is the most significant risk to going forward at this time. Accordingly, they suggest that the Medical Center Facilities Master Plan needs refinement in order to proceed effectively with the project. One of the things that the Deloitte people pointed out to us -- and they have done a lot of consulting in this area -- is it is not unusual to have this degree of differing views in terms of relative priorities within medical specialties, because people who support these believe in what they are doing and those are the kind of people that you want to recruit. What is unusual would be to go forward with a project of this size without having that worked out so that everybody understands what the relative priorities are within that overall goal. One of the things that they are recommending is that we take a little more time to do that and I will talk more about that in a minute.

The second thing is that among the other analyses they are doing, the consultants are obtaining information on other top tier academic medical centers and top ten comprehensive cancer centers to determine if other models can serve as a guide to develop alternative facility options. So we are going to take a look at who else is successful and what the pattern is there.

We also want to point out that -- even though they are recommending and we are concurring -- there be a delay in moving forward. When you do delay a project of this size, it does inevitably increase the cost due to inflation. If you do something later it is going to cost more in today's dollars than if the project was done today, but that has to be balanced against other considerations. Another risk that is posed by a significant delay is the ability to generate enthusiasm, support, and commitment from potential donors, so they are also aware of that.

The other challenge that we have is that there is a finite amount of debt the University can incur and still retain its current bond rating. Most of this construction will have to be done by issuing debt. The borrowing capacity for the Medical Center and the University is not sufficient to fund everything everyone wants to do in regards to this plan in the next 4-5 years; therefore, some prioritization is in order. Again, that is not unusual.

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The new organizational structure that is being prepared, so that The James can retain its PPS exempt status, may add another level of complexity. This will place an even higher level of importance on achieving alignment for the Medical Center Facilities Master Plan between all of the stakeholders in this process.

At the recommendation of the Board's Task Force – and this came out of the May 16 meeting -- a timeline is being developed by the consultants, in consultation with Chris and I, for key decisions that need to be made over the next few months. This timeline will also provide the key action steps for OSU to manage the risk for the largest capital expansion decision the University has made in its history. The implications of all of this are as follows: first it is important to emphasize that the current Health System physical plant is at capacity and in need of modernization, and that is not subject to dispute. Successful implementation of a well thought-out Medical Center Facilities Master Plan will generate programmatic, quality of care, competitive, and financial benefits for the Medical Center and the University. So doing this project right has tremendous benefits for everyone involved.

Although a great deal of good work has been done, a number of significant issues still need to be resolved before proceeding. Foremost among these is the lack of alignment among major stakeholders regarding priorities within the Medical Center Strategic Plan. Again, this is not unusual in projects of this nature. To meet best practice we need to get these resolved before proceeding to the next step. This is something that both of the consultants, as well as Chris and I, agree on completely. The most important thing we can do next is develop a framework and timeline for resolution of these issues. In fact, Chris and I have already asked the consultants to start working on this.

Another point is that the outcome of the Cancer Program governance review that Chris is heading up needs to be integrated into this process, because that will affect this and this will affect that. It is important that they are coordinated. And, finally, it is highly unlikely that all of these issues can be resolved by the next Board meeting on July 13.

The next question is what should we do? I am recommending four things that need to happen between now and the next Board meeting. The first recommendation is to finalize the decision framework and timeline that I referred to, so that by the time the Board meets again we will have a very specific plan for you on how and when these issues can be resolved.

The second recommendation is that we need to make significant progress regarding the Consultants' reports, since they aren't completed yet, and also the governance recommendations that Chris is working on, because they aren't completed yet. So we want to take the time to do those correctly, but they need to be done in a timely way.

The third recommendation is that what we need to be prepared to do at the next Board meeting is provide you with more specifics on how we propose to align expectations and resources regarding the Strategic Plan priorities. In other words, Job 1 will be alignment -- and I am using the word "alignment" deliberately. "Alignment" to me means everyone will not necessarily be in agreement. There are deeply held opinions for sincere reasons and there are differences and we shouldn't pretend that there are not differences. What we need to be able to do -- as any good organization does -- is take those differences, work through those to the degree we can, and agree on a course to move forward that everybody supports whether they are in complete agreement or not. All successful organizations do that.

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If we can't do that, we won't be successful and all we will have is a collection of individuals. I think it bears emphasizing that we will not have a first-rate medical center unless we have a first-rate cancer program and we will not have a first-rate cancer program unless we have a first-rate medical center. The two need each other and benefit from each other in terms of the relationship.

The fourth recommendation is to determine how to make the best use of the period between the July 13 and September 21 Board meetings. Traditionally, the summer is the period when things slow down and we need to make sure that the heat of summer does not become an invitation to take the summer off. Instead, we need to use those summer months constructively, so by the time fall comes we have a clear direction of where this project needs to go.

In summary, I have tried to give you a sense of the background behind the project, what the preliminary conclusions of the consultants are, what the implications are for the project and the University, and what we recommend as next steps. I will now turn to Chris and let him brief you on the governance process, and then we will be glad to answer any questions.

Mr. Christopher M. Culley:

Thanks, Bill. You will recall about a month-and-a-half ago, it was decided that as a part of the Master Space Plan we needed to pay special attention to the governance and operational model in place at the Medical Center so that we could ensure that going forward -- as we implemented the Master Space Plan -- we could assure continued compliance with federal regulations that require a certain degree of separation of the Cancer Program from the rest of the Health System. To do that the incoming and outgoing chairs of the Board assigned a working group which included: Dr. Fred Sanfilippo, Dr. David Schuller, Dr. Michael Caligiuri, Dr. Chip Souba, Mr. Dennis Smith, Mr. Pete Geier, and me. Joining us midway through the process was Dr. Chris Ellison and we have also been aided by Mr. John Stone and Mr. Julian Bell.

The Committee was given the charge to review the governance structure at the Medical Center with four guiding principles in mind: 1) to position the OSU James Cancer Hospital and Solove Research Institute to become a top ten NCI-designated comprehensive cancer center; 2) to maintain the excellence and growth of the Medical Center both in programs, personnel, and facilities through a sound strategic investment plan; 3) to maintain the federal PPS exemption; and 4) to enhance interdisciplinary synergies among the University Medical Center, The James, and The Ohio State University. Given that there were legal issues and continue to be legal issues intertwined in this task, I was asked to chair the working group.

Over the past several weeks, this group has met frequently. I think that everyone has been candid and fully engaged. It has not always been an exercise in total alignment, but everyone has been fully engaged in the process and have worked in good faith and with open minds. The Committee is nearing the end of its work. Within the next week to ten days, the group will be releasing a report on its model to internal and external constituencies. The model clarifies the roles and responsibilities of The James and the other hospitals in the Health Care System, the Medical Center, and the University, and the relationship of all of those entities. I will be relating some of the legal issues regarding this in Executive Session after our presentation.

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The model that we have come up with, and which needs some additional tweaking over the next seven to ten days, is one that all of the members of the working group support and feel is a workable model. I think that it meets all of the objectives given to us in the four guiding principles and believe that it complies with the PPS regulations at the federal-level. We have been consulting with an outside law firm that specializes in this area and have also been in consultation with CMS, the federal regulatory agency. We will continue to consult with CMS until we have closure on this issue, so we can be confident going forward that we have tied this issue down.

At the same time we are wrapping this work up, we will be integrating this work into the larger Master Space Planning Review. I think that at some point, these two processes will be moving in parallel tracks. Once we agree on this governance model, it will take a lot of detailed planning going forward into the future and may result in some changes to bylaws on all of the boards, including perhaps this Board.

That is my status report on where we are with the governance working group. We will now open the floor for any questions.

Dr. Cloyd:

Are there any questions for Bill or Chris?

Ms. Hendricks:

Bill, you listed all of these areas that the consultants were going to look at. Do you feel that they are going to be able to complete this work in the 60-day timeline that they have proposed? It seems like a lot of work.

Mr. Shkurti:

Ms. Hendricks, the literal interpretation of the 60-day timeline would be if they started on April 6 they would be done by June 6. I do not anticipate them meeting that timeline. I suspect them coming very close to substantial completion by the time of the next Board meeting. I want to use the word "substantial completion," but if we have some loose ends that aren't done I don't want to force a deadline. They are working intensively to get these things done and there is a lot of work that has been done already.

Mr. McFerson:

One of our objectives in this study was to benchmark the work that had been done with regard to other institutions to see if our budget was appropriate. Do you have any indication as to what that benchmark work has indicated? Is it looking okay? Do we have some challenges there? Can you be a little more specific?

Mr. Shkurti:

Sure. Remember we are talking about two budgets -- the operating budget for the Medical Center and the capital budget for the construction process.

On the operating budget for the Medical Center and the Health System, in particular, Deloitte has taken the lead in that. They found in some cases we are okay and in some cases we have challenges. The best examples would be if you look at -- and part of this was discussed in the Medical Center Affairs Committee meeting yesterday -- the traditional measures of financial health of a medical center, which would be the operating margin, cash on-

hand, and debt service coverage. What Deloitte has found -- and it is very consistent with what Standard & Poor's found in the bond review that they did of the Health System -- is that we have a very good operating margin compared to other academic medical centers and we have very good debt service coverage, although that will change as we issue more debt. Where we aren't quite as strong as the others might be is in the cash area. Although we are improving on that, the Medical Center is benefiting from the fact that the University is in a fairly good cash position. I would say that two out of three is pretty good, but before you embark on a major expansion of this size we need to nail down the appropriate level of cash reserves that are useful to have.

The other thing that the Deloitte people told me is that they felt that the growth assumptions that are built-in for the next five years in the five-year financial plan were not out of line, but were on the aggressive end. They want to do some additional work to make sure that it was aggressive good rather than too aggressive. One of the things that they are concerned about is that they know the market that we face and that the Medical Center faces involves third-party payers, some of whom are governmental entities that can be somewhat arbitrary on what they decide to pay. On the private side you have the third-party payers, such as the health maintenance organizations and large insurers, who are under a lot of competitive pressure. So they wanted to do some additional testing to see how that affects the five-year financial plan.

The third thing that they wanted to look at in a little more detail was what we may call the "perfect storm" scenario and I know that the Medical Center has already done some stress testing on its assumptions. So instead of growth at a certain percent -- if reimbursement only grows two-thirds of that, what is the impact of that? Deloitte wants to look at what if you have two or three things that go south at the same time. If you remember when the Health System ran into financial trouble back in the early part of this decade, there were a number of things that happened: the federal government changed the Medicare reimbursement as a result of the Balanced Budget Act and the stock market collapsed. It was more than one thing. So they want to test multiple stresses.

On the capital budget, what the Hammes people have told me is that it appears from their initial look -- and they are still digging into it a little deeper -- that the capital cost estimates look fairly reasonable for the timeline that they were predicated on at the time. That timeline is now not going to be met, so that has to be figured in. They also felt that the overall fees that were built into the project for the architects and construction managers seemed reasonable for projects of this size and complexity.

They were concerned with a couple of areas -- they thought the timeline for the two medical towers, which is the core of the project, was a bit aggressive. Again, that needs some more work -- how much aggressive is too aggressive, because time is money in this case. They were also a little concerned about the contingencies. They thought the contingencies on balance seemed to be appropriate, but they were a little concerned about the impact of multiple primes. If they haven't worked in Ohio before, multiple primes probably would strike them as a bit strange, because it is not the norm throughout the country. So they want to make sure that the reserves take that into account. What both Deloitte and Hammes told me is that they thought that there had been a lot of good work done on this project, but that there were still some open issues that needed some additional work.

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The other one that Hammes mentioned was that they thought there was some good preliminary work done on the infrastructure, but that there was still some details up in the air that needed to be nailed down. The other thing that Hammes and Deloitte both mentioned was that they thought the planning for Phase I had been very thorough, but that Phase II was up in the air. We need to have a better idea before going further into Phase I exactly what Phase II would mean and what's in and what's out.

Mr. Schottenstein:

Did any part of their report go to how we are going to manage this once it starts? In other words, I recognize that most of what they have looked into had to do with the many items that you have articulated. Once we are ready to start -- whatever this ultimately looks like -- how should we manage it, who is in charge, and who ensures that there is proper oversight within the University on what will inevitably be the largest project in our history? Have they in any way begun to weigh in on issues related to that?

Mr. Shkurti:

Mr. Schottenstein, the short answer to your question is yes; that is one of the things they are charged with looking at. Their first priority is on alignment and getting that taken care of, but further on down the road they will make sure we can execute this. Both Deloitte and Hammes are looking at that and making sure that we execute it in the best practice.

Mr. Wexner:

Bill, one of the things that I heard was that in looking at the cost they didn't look at the market in relationship to competitive projects. They weren't aware of the fact that Children's Hospital is going forward with a \$1 billion project that is funded in exactly the same timeframe. There will be two of the largest construction projects ever undertaken in a specific area happening in Central Ohio at exactly the same time. I raised that to the Hammes guy and that was like a big, "Oh," because they didn't know about it. My guess is that when you have a billion dollar hospital project going on at the same time as another billion dollar hospital project, it doesn't get any cheaper.

Mr. Shkurti:

Mr. Wexner, that is a very appropriate observation. We have since followed up to try and work through that impact. I can tell you from my own experience of when we were renovating the Stadium at the same time that Easton was under construction. Although Columbus is a big place there are strains put on the market when there is a lot of construction going on. We need to take that into account and make sure that is factored in as we move forward.

Dr. Cloyd:

Any other questions? Bill and Chris, thank you very much. That was an excellent summary report and we will look forward to being further updated at the next Board meeting. Thank you.

(See Appendix LVIII for background information, page 1269.)

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Dr. Cloyd:

At this time I will move that the Board recess into Executive Session for the purposes of considering personnel matters regarding compensation, to consult with legal counsel regarding pending or imminent litigation, and for the purpose of discussing matters required to be kept confidential by State Statute. May I have a second?

Upon motion of Dr. Cloyd, seconded by Mr. McFerson, the Board of Trustees adopted the foregoing motion by unanimous roll call vote, cast by Trustees Cloyd, Hendricks, McFerson, Davidson, Ong, Borror, Wexner, O'Dell, Shumate, Hicks, Fisher, Schottenstein, Brass, Shackelford, and Marbley.

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Dr. Cloyd reconvened the meeting on Friday, May 1, 2007, at 11:20 am.

Present: G. Gil Cloyd, Chairman, Karen L. Hendricks, Dimon R. McFerson, John D. Ong, Douglas G. Borror, Leslie H. Wexner, Walden W. O'Dell, Alex Shumate, Brian K. Hicks, John C. Fisher, Robert H. Schottenstein, Alan W. Brass, Thekla R. Shackelford, Algenon L. Marbley, and Christopher Alvarez-Breckenridge.

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THE REMODELED UNDERGRADUATE CURRICULUM: GETTING ON WITH WHAT WE'RE GOOD AT

Provost Barbara R. Snyder:

Good morning. I'm pleased -- in fact, I'm delighted -- to appear before the Board this morning.

Nearly 100 years ago, W.H. Auden authored a line that motivational speakers have been commandeering ever since. "You owe it to us all," he wrote, "to get on with what you're good at." The Ohio State University is good, of course, at many, many things. That's especially true of the education we provide our undergraduates. Indeed, in recent years, Ohio State has become a real destination for talented undergraduate students. Just consider that 22,172 hopeful high school seniors applied for admission to this fall's entering class. That's nearly 20% more than last year and, I believe, that is a record.

Today, Vice Provost Randy Smith and I are here to let you know that yet another undergraduate milestone has been reached. Members of the Board, it is a pleasure to tell you that on May 10 the University Senate approved, with only one negative vote, the reduction from 191 to 181 in the number of hours required for earning a basic bachelor's degree at Ohio State. This change will enable us -- as never before -- to get on with what we're good at.

You know from many of my previous reports that the Senate's action was the culmination of three years of hard work. In 2004 we launched a major study of the undergraduate curriculum under the leadership of Distinguished Humanities Professor Brian McHale from the Department of English. In the wake of that study, Professor McHale and the Committee on the University-Wide Review of Undergraduate Education developed a series of recommendations for reforming undergraduate education at Ohio State. After the report was presented in late 2005, the Committee's recommendations were refined in discussions with the University community and with governance bodies, including the Arts and Sciences'

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Faculty Senate and the Council on Academic Affairs. Of the recommended changes, the proposal to move from 191 to 181 credit hours for graduation was the most controversial, even though Ohio State's 191-hour requirement was top-heavy in comparison to our peers. The Arts and Sciences' Faculty Senate approved the change, and, now, the University Senate has added its imprimatur by likewise approving the reduction to 181 hours.

As I reported to you last September, moving from 191 to 181 hours is important for several reasons: 1) it will reduce the financial resources that our undergraduate students and their families have to muster for an undergraduate degree; 2) it will help students advance more quickly into their chosen career paths; and 3) it will mean that our students will be able to graduate in four years like students at Michigan, UCLA, and some of our other benchmark institutions. This change will position Ohio State more competitively among the nation's top public research universities.

Randy Smith is one of those most responsible for this important outcome. He has been intensely involved in the reform of the undergraduate curriculum, beginning with his ex officio membership on the McHale Committee. And it was because of his masterful administrative skills and his resolve in moving this through the appropriate groups that the administrative process went so smoothly, steadily, and collegially, if not rapidly.

Many, many others were instrumental in the process. With the Board's indulgence, I would like to take a moment to recognize the efforts of some people who were really important including the Arts and Sciences' Faculty Senate; the Arts and Sciences' Committee on Curriculum and Instruction; and the Council on Academic Affairs and its chair Brian Winer. I'd also like to thank Vice Provost and Dean for Undergraduate Education Martha Garland, the deans of our colleges that teach undergraduate students, our faculty leaders, particularly Faculty Council Chair Allan Silverman, and, of course, the members of the Undergraduate Student Government who gave us their feedback and strong support. Special thanks and acknowledgement go to Executive Dean for Arts and Sciences Jacqueline Royster, who couldn't be with us today, and Associate Executive Dean Ed Adelson, who is here today. As a result of their advice, their spirit of cooperation, and their desire to do what was right for Ohio State, we have made what may be the most significant change to undergraduate education in the last 20 years. Thanks to them, we're better equipped than ever to get on with what we're good at.

With the Board's approval today, the new credit hour requirements begin with the class coming in Autumn 2007. Here to give you a few more of the details is Vice Provost Randy Smith.

Dr. W. Randy Smith:

Thank you and good morning. Let me just take a few minutes to elaborate on a small set of specifics associated with this proposal. For undergraduates at Ohio State, the curriculum has three main pieces: 1) a general education curriculum component; 2) a major component; and 3) a set of electives. What is actually in those parts varies somewhat by college, so for the basic B.A. and B.S. degrees there are specific requirements and for the tagged degrees – for example, degrees in business or engineering – they may be somewhat different.

Professor McHale's Committee formally addressed the need to reduce the number of credit hours to graduation and focused specifically on the GEC – General Education Curriculum – component to it. At no point was the

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Committee questioning the goals of the current general education curriculum or advising for any broad structural changes to it. It did suggest that it was time to think about reducing some of the hours in it and in doing so letting students have more choices or personal decisions about the kinds of courses that they were taking in some of the categories.

With that behind us, over the last year-and-a-half -- with the tremendous help of the many people whose names were just mentioned -- we started to discuss this process in the Colleges of the Arts and Sciences where 90% of the courses in the GEC are located and where the colleges have the largest number, approximately half, of undergraduate students. It has been a year of incredible discussion in that body. Professor Adelson deserves tremendous credit for his leadership through that process.

What the Arts and Sciences decided to do in the end was to reduce from 191 hours to 181 hours and to do so through five hours being drawn from the general education curriculum -- known as the bread areas -- and five hours from somewhere else, most notably in the electives. As Arts and Sciences worked on that, an important part of the process was that the other eight colleges at Ohio State that have undergraduate programs were watching and participating and contributing in what Arts and Sciences was thinking. Brian Weiner, from the Council on Academic Affairs, and I worked closely with them as that process was playing out.

As a result of that, in the last few months these other colleges themselves have come forward with templates or proposals for their programs and they have reduced five hours in the GEC and, if possible, five hours from their major or their electives. All of those templates went through the system just recently. On May 4, the University Senate's Council on Academic Affairs -- the body that brings proposals to you -- approved it and then, as Barbara mentioned, on May 10 the Senate approved it. We really are very grateful to Allan Silverman, Harald Vaessin, Rob Perry, and Chris Zacher and the Senate leadership for everything they did to help us in the last stages of that process.

Given all of that, we could talk about process and we can talk about the new mechanical structure, but some other things were achieved in the last couple of months and I will mention four of them. I think it is the best discussion of our general education curriculum that we have had in well over a decade at the University or maybe longer. I was involved, as David Frantz and Ed Adelson were involved, in the development of the GEC in 1988. We are now realizing that this is the best discussion we have had since that establishment occurred.

Second, we have really worked hard to keep an alignment among the colleges. If the general education isn't dramatically different between and among the colleges within the University and if students were to transfer among colleges, that could be an issue.

Two other things that are not on the agenda, but I think you should know about is that we are going to pilot a new "Freshmen Cluster." That is where students could take a small set of courses in their freshman year, and these would be general education courses integrated with one another in some way and may have a topical orientation. This is new for us and we are going to tie that in with the Arts and Sciences and have it move forward.

Probably above all, we are about to establish a new University-wide advisory committee for the general education curriculum. Historically it has been rooted in the Colleges of the Arts and Sciences understandably, but now we are adding faculty and students from other parts of the University to

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be looking at the University on a continuous basis. Not waiting for a report of this nature to emerge every five or six years, but to actually be watching it all of the time.

The next steps are that if it is approved today, implementation will take effective with the freshman class of Autumn 2007. Vice Provost Martha Garland and I are now beginning work with our advising staff across the University to ensure that the nature of these changes is known to the staff and that students can be advised appropriately.

As a long-term member of the faculty and with the administration for a few years, and someone whose own children have gone through the University, I think that what has happened is something that is very important for what our students want and expect. I think that we went about it in a way that our faculty deserve. Thank you.

Dr. Cloyd:

Thanks, Barbara and Randy. This is really an important milestone and thanks to everyone that has been involved in all of the work to get this done. It is tremendous. Let me open it up to the Board for any questions or comments.

Mr. McFerson:

As one who has been around here awhile, I would just say thank you. This was a long, arduous process, but you are to be congratulated for thinking of our students and also making sure that everybody was given an opportunity to air their views on it. It is an important step. Thank you.

Ms. Hendricks:

Does this mean that for every undergraduate curriculum there is no more than 181 hours to graduate?

Provost Snyder:

No. It does mean that for the basic bachelor's degree – the B.A. and B.S. – no more than 181 hours will be required to graduate. There are already majors above 191 hours and those have come down ten hours, one way or another -- they took five hours out of the GEC and then five hours someplace else. They were never at 191 hours and will not be at 181 hours either, but they will be reduced.

Dr. Smith:

That is really an important step in this. As the Arts and Sciences said, "We will bring all of our degree programs down from 191 hours to 181 hours" and other colleges – Engineering, FAES, and Business – said, "We will take them from wherever we are and come down ten hours as well." That doesn't mean that all of them will be at 181 hours.

Provost Snyder:

There are many degree programs outside the Arts and Sciences that are at 181 hours now, too.

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Amb. Ong:

We see in our Student Recognition Awards every meeting, examples of hyperactive undergraduates. I assume that these hyperactive undergraduates will remain able to take more than 181 hours. In other words, this is a requirement not a ceiling?

Provost Snyder:

Many of our students take more than the required minimum number of credit hours. Of course they are welcome to continue to do that and we know that many of them will still choose to do that for various reasons.

Mr. McFerson:

Practically speaking, let's say you have a senior student and now this is approved. Is it effective immediately, so that students can look at their hours and perhaps graduate a quarter sooner?

Provost Snyder:

No. We are starting it with the students who come in as freshmen this Fall. Essentially we look at it as making an agreement with our students, we tell them when they come in, "Here are the requirements with which you must comply to graduate." We don't change those while they are here. The students who are already here have a different understanding and they are well into their programs. This will begin with the new students.

Dr. Cloyd:

Again, Barbara and Randy, thank you and thanks to all of your colleagues for this great work.

Provost Snyder:

Thank you for your support.

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COMMITTEE REPORTS

Dr. Cloyd:

I would like to call for committee reports and will begin with the Medical Center Affairs Committee report by Mr. McFerson.

Mr. McFerson:

Thank you. The Medical Center Affairs Committee met yesterday afternoon. Dr. Sanfilippo started with an update on where we are with regard to staffing levels and particular programs, and then where we are with various recruitments -- in certain areas these things often take many, many months to bring to a conclusion -- and any appointments that are going to appear on the consent agenda. The one that you will be asked to vote on today is the appointment of Elizabeth Seely, executive director of University Hospitals East. She has been on staff here for approximately 20 years and is uniquely qualified for this assignment and we are delighted to have her.

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Mr. Pete Geier presented additional consent agenda items for your approval. The first is to enter into design and construction contracts, and to enter into a joint use agreement. These are matters of rather routine nature that are in the annual capital budget approved each year. None of these are major projects, but are rather minor things that need to be accomplished from time to time to meet deferred maintenance issues or structuring changes in regard to where programs are located.

Then we spent the bulk of our time hearing the year-to-date financial report through ten months. It is going very well and we are essentially on budget. Then we had a lengthy discussion with a lot of questions on the operating plan for Fiscal Year 2008. This was previously vetted in The James Board and the University Hospitals Board meetings, and we now had a chance for the Medical Center Affairs Committee to review it. We then passed it on to the Fiscal Affairs Committee for their consideration this morning. To summarize, we have two consent agenda items #7 and #10 that have been recommended to the full Board from the Medical Center Affairs Committee.

We then went into Executive Session to discuss matters that can be discussed in this session, and then we adjourned the meeting.

Dr. Cloyd:

Thank you, Mr. McFerson. Any questions? We will now have the Investments Committee Report.

Mr. McFerson:

The Investments Committee met yesterday and we first heard the Proctor Report from Tom Johnson, Interim Treasurer. Allen Proctor is a noted consultant who has done some wonderful work for us. He was retained last October to formulate recommendations and actions to improve the organization and operation of the University's Treasurer's Office. As part of that consulting agreement, he has provided eight memos to the Office for eight different areas of responsibility. As a Committee, we agreed to monitor those rather closely over the months or perhaps over the year ahead with regard to those recommendations and changes that were recommended by him. We are very pleased to have that report.

We then looked at the Endowment Quarterly Report as of March 31, 2007, compared to nine months ago -- the end of the last fiscal year. The gift endowment dollars are now \$1.513 billion versus \$1.345 billion; that is up \$68 million or a 12.5% increase. The operating pool of funds -- the University's cash from all sources -- is up \$97 million or 13.2% in the aggregate. We also looked at a new format for reporting this data that is in the process of being developed. We will probably continue to see some changes in that, but it is showing the information in a much more meaningful way than it has in the past. All of this information is now being benchmarked versus appropriate standards that have been established and it is helpful for us to see how we stack up against the Big Ten and our other comparable universities. We are making progress, but we have some work to do.

With regard to the Investment Managers Report, it is interesting to note that we have 82 separate investment managers. This is significant progress compared to where we were a number of years ago, when we did not have that many investment managers, that many different styles, and that much diversification of the portfolio. The Proctor Report and Cliffwater, another consultant that we have used, have made some significant recommendations to us. We are moving dramatically into the diversification

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of this portfolio, which will help us improve our results vis-à-vis the other universities that we benchmark against. Today you will see on the consent agenda some recommendations with regard to additional investment managers and the reallocation of funds from one area into another of the portfolio.

Then we heard the Development Report from Dr. Schroeder. Comparing nine months -- Fiscal Year 2007 to last year -- we are up slightly over that same period a year ago. Gift receipts are \$116 million versus \$113 million; net pledges are \$20 million versus \$28 million; and the bequests expectancies of \$33 million versus \$35 million. The Development Report is also on the consent agenda for Board approval.

That concludes the Investments Committee report.

Dr. Cloyd:

Thank you, Dimon. Any questions? Next is the Audit Committee report from Mr. Schottenstein.

Mr. Schottenstein:

Thank you, Mr. Chairman. The Audit Committee met yesterday afternoon and there were five items on the agenda. First we reviewed, as we do annually, the Internal Audit Work Plan for the coming year and also the work plan for the external auditors.

We then received a very detailed and thorough report from Provost Snyder dealing with the security breach which occurred with the intrusion into our computerized records. The Audit Committee was very pleased with what has transpired since the hacking occurred. At this time, all of the internal recommendations from our own internal workgroup are being implemented in what appears to be a very effective way. The outside consultant, Cybertrust, was brought in to help us understand what happened and is also charged with recommending what can be done to prevent this from happening again. Cybertrust's work is proceeding in an orderly fashion.

We next received a report -- which began recently at the request of the Audit Committee, and also Mr. Shkurti and this Board -- on an assessment into our enterprise risk management. A committee has been formed which will be assessing various aspects of the University system and understanding the risk associated with each. The operational audit -- which we heard about at the last Board meeting being undertaken by PricewaterhouseCoopers -- will have some impact on this study of enterprise risk management as they look at the way in which decisions are made and look at the various operational controls we have. There is some overlap, but we are very happy that this project is underway.

Finally, we heard two reports from Mr. Shkurti. The first was the Proctor Report, which Mr. McFerson just referred to. Related to that is the idea that as the Proctor Report comes forward with recommendations on policies, practices, and procedures that need to be implemented in the Treasurer's Office, we will, from the internal audit standpoint, be testing those and hearing about those from time to time. Then he reviewed with us the follow-up to some of the principle recommendations from the Deloitte Management Letter. In all matters we are making progress.

That concludes my report.

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Mr. Wexner:

Bob, I don't know whether you know, but the Board should know, that Dean Alutto has recruited two companies that have made their IT leads: 1) Nationwide; and 2) another company that is recruiting chief IT officers from major organizations, to be the consulting group that oversees the IT function. So that when you are looking at the IT audit, you should be aware of that. I think that is a very good practice.

Mr. McFerson:

That is an advisory group?

Mr. Wexner:

Yes. You can think about that in other functions.

Dr. Cloyd:

Thank you. We will now hear the Fiscal Affairs Committee report by Ms. Hendricks.

Ms. Hendricks:

The Fiscal Affairs Committee met this morning. We first heard a report from Melissa Bellini on the Quarterly Capital Projects and then a first reading on a long-term lease. The Department of Athletics has proposed a long-term, 40-year lease, with a 40-year renewal, with the City of Columbus of a Crew Boathouse facility for the women's crewing team at Briggs Reservoir on the Scioto River, with the rent not to exceed \$3.3 million.

The Committee is also recommending for Board approval items #10 through #15 on the consent agenda. The first resolution is the authorization to enter into five construction contracts, four design contracts, and one joint use agreement, and these are all outlined in your Board books. The second resolution is the approval of four easements. The third resolution is for a long-term ground lease renewal with the Creative Living Housing Corporation for housing disabled students on West 10th Avenue. This will be a 25-year lease, with a 25-year renewal. By taking on this amount, it will allow them to do some improvements to the facilities that are needed.

The fourth resolution is the receipt of a gift of real property given to ATI. The property is Hawk's Nest Golf Course, an 18-hole course, near ATI in Wooster. This is an outright gift, a change from previous discussions, valued at \$4.1 million, with an additional \$500,000 of building and equipment to go with it. This provides a learning opportunity for ATI students, with 50 different courses and approximately 40% of students having access to the golf course for hands-on laboratory and clinical experience. For example, students taking classes in landscape horticulture, turf science, and ground management will be able to have access to this golf course since it is very close to ATI. There are no restrictions on the use of this property as a golf course, so in the case that ATI sees that the learning lab that it creates does not justify running a golf course, they can make the changes as they see necessary. We agreed that this would be monitored closely, so we are ensured that the balance of the benefits versus possible risks would be dealt with.

We looked at the 2008 Funds Budget and are awaiting decisions from the Ohio Legislature to act with regard to tuition. Therefore we would not be looking at tuition today, but expect a recommendation by the July Board

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meeting. However, we did discuss mandatory user fees and these are fees from units that are designed to be self-supporting such as student health insurance, recreation fees, and COTA bus passes. We also looked at non-mandatory fees such as residence halls, parking, and football and basketball tickets -- things that are optional depending on the student.

We also discussed fees related to the OSU Health System -- we are looking at weighted averaging increases of 7.6% in prices and contractually-agreed rate increases. In addition, we looked at the supplemental instructional fees that apply to students for technology areas or field practicum or clinicals or other undergraduate requirements. We also noted that there were new supplemental instruction fees in two colleges: the College of Engineering and the College of Social Work. We will be voting on the mandatory and non-mandatory fees today.

We authorized the administration to make expenditures in Fiscal Year 2008 until the Fiscal Year 2008 operating budget is finalized and this is consistent with the level of resources that we have approved for Fiscal Year 2007. We expect to adopt the general funds budget for Fiscal Year 2008 at the July Board meeting and the current funds budget for Fiscal Year 2008 at the September Board meeting. This is also very consistent with what we have done in the past.

That concludes my report.

Dr. Cloyd:

Thank you, Karen. Any questions or comments? We will now have the report from the Academic and Student Affairs Committee. Mr. Borrer --

Mr. Borrer:

Thank you, Mr. Chairman. First we started yesterday afternoon with a tour of student housing with Vice President Hollingsworth and his staff. We got a complete look at the current student housing inventory. We called this trip, "The Good, the Bad, and the Ugly," and we got to see some new and very nice dorms, some remodeled dorms, and some others. I don't know whether Rich planned it this way or not, but it was the hottest day of the year so far and we are now aware of how many dorms are not air conditioned. All joking aside, they have a very complete plan on expenditures and renovations, and are looking forward to completing that. We are hoping that we can find ways to financially and potentially accelerate that.

This morning in the Academic and Student Affairs Committee meeting we heard from Vice Provost Martha Garland and Associate Provost Linda Harlow on the Denman Undergraduate Research Forum. As always, this was a great presentation.

The Denman Undergraduate Research Forum was established in 1996 and this year over 350 students participated in the forum, which was held at the French Field House. Each student does a research project, which is judged by over 200 faculty, corporate and industry judges. It was an amazing day, with 44 winners this year. As always, we heard presentations today from three students and each one was diverse, varied, and very detailed. When you get done listening to these students, you find it hard to believe that they are indeed still undergraduates.

Finally we heard a follow-up report on the creation of a Center for Financial Life and Research, from USG president Kate Christobek, Jonathan Fox,

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associate professor in the Department of Consumer Sciences, and Kate Seguin, coordinator of Financial Wellness. They are working together to try to get increasing help for students to manage their finances while going through school. This is an ongoing effort and one that will be reported back to the Board going forward.

Finally, we have four items for the consent agenda: 1) a reduction in the number of credit hours required for graduation. This has been a major issue that our Committee has worked on the last four years and I am honored and pleased to have been on the Committee during this time and that we got that done. President Holbrook, you deserve a lot of credit along with Provost Snyder and I am glad that got done while you are both still here; 2) the naming of a building; 3) amendments to the *Rules of the University Faculty*; and 4) routine personnel actions.

That concludes my report, Mr. Chairman.

Dr. Cloyd:

Thank you, Doug. Any questions or comments?

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FAREWELL TO BARBARA SNYDER

Dr. Cloyd:

As you all know, this is Barbara Snyder's last Board meeting with us and she has provided extraordinary leadership to Ohio State University for a number of years. She first served as a professor in the Moritz College of Law -- and to her credit she continues to be a professor and that is one of the signs of a great academician -- before moving on to associate dean for Academic Affairs. After leaving the Moritz College of Law, she moved into central administration in 2001, where she was appointed vice provost for Academic Policy and Faculty Resources. She served for seven months as interim vice president for University Relations before being named interim executive vice president and provost in 2003, and then permanently named to that position in 2004.

Barbara, you are known for your unbelievable energy. It is not only constant physical motion, but it is constant intellectual motion and that is where this University has benefited so greatly. You really do take a pioneering spirit to academics, constantly improving and stretching our approaches to education. You take on tough challenges that many people would shy away from and you have an excellent collaborative way to move things to completion. The presentation we just heard on the GEC is a good example of that. You have put in place an excellent program that Dean Osmer outlined at the last Board meeting on how we will approach and enhance our graduate education, and the conception and implementation of the Targeted Investments in Excellence. I could go on and on. Great universities require great faculty and great faculty require great leadership by their academic officer, and we have certainly been blessed with that here at Ohio State.

As you move on to the northern lands to assume the presidency of Case Western Reserve University, you leave here with heartfelt thanks from everyone on this Board. You have touched many lives here and you will touch many more. As an Ohioan, I am simply glad you are going to stay in the state of Ohio. Congratulations and thank you.

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Provost Barbara R. Snyder:

Thank you, Mr. Chairman. I would just like to say what a privilege it has been to serve Ohio State for the last 19 years and to say a special thank you to President Holbrook who believed in me and gave me this amazing opportunity. Thank you very much.

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CONSENT AGENDA

President Karen A. Holbrook:

We currently have fifteen resolutions on the Consent Agenda today and would like to hold separate votes for #5 – Honorary Degrees – and #11 – Easements. We are seeking your approval for:

REGIONAL CAMPUS BOARDS APPOINTMENT/REAPPOINTMENTS

Resolution No. 2007-143

Synopsis: Approval of appointment/reappointments to The Ohio State University Regional Campus Boards is proposed.

WHEREAS the Board of Trustees in 1994 approved the establishment of The Ohio State University Regional Campus Boards; and

WHEREAS it has been previously stipulated that “the board shall be composed of ten members appointed by The Ohio State University Board of Trustees in consultation with the president of the university;” nine members shall be private citizens; and one member shall be a student; and

WHEREAS the following named persons have been nominated and selected for appointment/reappointments to the following Regional Campus Boards for the terms as specified:

Lima Board Reappointments

Ronald E. Hadley, 3rd term, July 1, 2007 – June 30, 2010
Grace Schulte, 3rd term, July 1, 2007 – June 30, 2010

Marion Board Appointment/Reappointments

Stephen D. Keen, 1st term, September 13, 2007 – June 30, 2009
Douglas W. Brown, 3rd term, July 1, 2007 – June 30, 2010
Janet P. Pry, 3rd term, July 1, 2007 – June 30, 2010

Newark Board Reappointments

Robert Coffman, 3rd term, July 1, 2007 – June 30, 2010
Richard L. Gummer, 3rd term, July 1, 2007 – June 30, 2010
Robert H. McGaughy, 3rd term, July 1, 2007 – June 30, 2010
Joshua L. Maccombs (student), 2nd term, July 1, 2007 – June 30, 2008

NOW THEREFORE

BE IT RESOLVED, That the foregoing nominees be approved as members of the respective Regional Campus Boards for the terms specified.

REDUCTION IN CREDIT HOURS FOR GRADUATION

Resolution No. 2007-144

Synopsis: Recommendation to reduce the minimum number of credit hours required for graduation from 191 to 181 hours, with no more than 5 credit hours being removed from a college's general education curriculum, is proposed.

WHEREAS in October 2005, the University-wide Committee for the Review of Undergraduate Education recommended a reduction in the minimum number of credit hours required for graduation from 191 to 180 hours, to align the University with many of its peers nationally; and

WHEREAS subsequently, the University community, from the department/school, to college, to institutional levels, has engaged in a detailed discussion of this and related proposals; and

WHEREAS at its meeting on February 28, 2007, the Faculty Senate of the Colleges of the Arts and Sciences, in response to recommendations from its Committee on Curriculum and Instruction, approved a proposal to reduce the minimum number of credit hours for the Bachelor of Arts and the Bachelor of Science degrees from 191 to 181 hours; and

WHEREAS that change was achieved through a 5-hour reduction in the "breadth" categories (natural sciences, social sciences, arts and humanities) of the general education curriculum, combined with a 5-hour reduction in electives of the major programs; and

WHEREAS the Council on Academic Affairs requested that all other colleges with undergraduate tagged degrees review their curricula and if possible propose a commensurate 10-hour reduction in credit hours to graduate, with no more than 5 hours from the general education curriculum; and

WHEREAS at its meetings, the Council on Academic Affairs reviewed the proposals from the Colleges of the Arts and Sciences and the other colleges with undergraduate tagged degrees; and

WHEREAS the proposal to reduce the minimum number of credit hours required for graduation from 191 to 181 hours, with no more than 5 credit hours being removed from a college's general education curriculum was endorsed by the Faculty Council, the University Senate Steering Committee, the Council on Academic Affairs and the University Senate at its May 10, 2007 meeting:

NOW THEREFORE

BE IT RESOLVED, That the proposal as stated above be approved effective immediately.

NAMING OF BUILDING

Resolution No. 2007-145

Synopsis: The naming of the Early Childhood Development Center at Weinland Park, located at 175 East Seventh Avenue, as The Schoenbaum Family Center, is proposed.

WHEREAS The Ohio State University is building this early childhood center to serve as a teacher training facility, research center, and early childhood center to benefit the children of Weinland Park; and

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WHEREAS Betty Schoenbaum is president and trustee of the Schoenbaum Family Foundation Inc., which grants funds to numerous charitable and civic organizations with major support at The Ohio State University, including a \$2.5 million lead gift for the early childhood center; and

WHEREAS Betty Schoenbaum is a strong supporter of community and educational causes worldwide, serving on the boards of the Sarasota-Manatee Jewish Federation, the Jewish Community Foundation, the American Jewish Committee, the Florida West Coast Symphony, and the Women's Resource Center; and

WHEREAS she is honorary chair of the Women's Initiative of the United Way of Sarasota County and a member of The Critical Difference for Women Program National Network; and

WHEREAS Betty Schoenbaum has a deep commitment to philanthropic efforts in education and with The Ohio State University, including currently serving on The Ohio State University Foundation Board and past service as a member of the National Campaign Executive Committee of the OSU's Affirm Thy Friendship Campaign; and

WHEREAS Betty Schoenbaum also received Ohio State's prestigious Everett D. Reese Medal in 2002, an honorary doctoral degree in business from Ohio State in 2001, and an honorary doctorate in humanities in 1999 from the University of Charleston (West Virginia):

NOW THEREFORE

BE IT RESOLVED, That in accordance with paragraph (F) of rule 3335-1-08 of the Administrative Code, the Board of Trustees hereby approves that the early childhood center at Weinland Park be named "The Schoenbaum Family Center," effective immediately

AMENDMENTS TO THE RULES OF THE UNIVERSITY FACULTY

Resolution No. 2007-146

Synopsis: Approval of the following amendments to the *Rules of the University Faculty* are recommended.

WHEREAS the University Senate pursuant to rule 3335-1-09 of the Administrative Code is authorized to recommend through the President to the Board of Trustees the adoption of amendments to the *Rules of the University Faculty* as approved by the University Senate; and

WHEREAS the proposed changes in the *Rules of the University Faculty* were approved by the University Senate on May 10, 2007:

Amended Rules

3335-7-02 Titles.

The term "regular clinical track faculty" ~~will exist solely~~ exists for the purpose of recording this type of appointment in the university's employment system data base.

~~Individual~~ If individual colleges, schools, and departments with regular clinical track faculty ~~may wish to provide them clinical faculty with faculty-rank titles, that are then whatever title is used must be~~ distinct from tenure-track titles ~~and are~~

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~~descriptive of the functions regular clinical track faculty perform in that college (see paragraph (A) of rule 3335-5-19 of the Administrative Code).~~ Examples include, but are not limited to, professor of clinical (name of college, school, or department) and associate professor of professional practice. (B/T 7/12/2002, B/T 6/4/2004)

3335-7-04 Proposals and approval process.

- (A) Proposals to establish or amend a regular clinical faculty track in a college or school reporting directly to Office of Academic Affairs (OAA) must be submitted to the provost by the dean of the college or director of the school reporting directly to OAA. Proposals must include a clear rationale for establishing a regular clinical faculty track and address how the terms and conditions of the appointments will be consistent with the rules set forth in Chapter 3335-7 of the Administrative Code, what titles will be given to regular clinical track faculty, and what department and college governance rights will be extended to regular clinical track faculty. Regular clinical track faculty may not participate in the promotion and tenure reviews of tenure-track faculty. In addition, proposals must include the following components:

(1) through (3) unchanged.

- (B) College proposals ~~With the exception of changes to existing titles, proposals from a college or school reporting directly to OAA to establish or amend a regular clinical faculty track must be approved by a majority of the tenure-track faculty of the college or school reporting directly to OAA proposing to have a regular clinical faculty track, by the dean of the college or director of the school reporting directly to OAA, by the executive vice president and provost, by the university senate, and by the board of trustees. The executive vice president and provost will transmit all proposals to the council on academic affairs, which will review proposals and make a recommendation to the university senate. Title changes must be consistent with rule 3335-7-02 of the Administrative Code, but need only be approved by a majority of the regular tenure track faculty and dean of the college or director of the school reporting directly to OAA proposing the amendment.~~

NOW THEREFORE

BE IT RESOLVED, That the foregoing amendments to the *Rules of the University Faculty* be adopted as recommended by the University Senate.

DEGREES AND CERTIFICATES – SPRING QUARTER COMMENCEMENT

Resolution No. 2007-147

Synopsis: Approval of Degrees and Certificates for Spring Quarter is proposed.

WHEREAS pursuant to paragraph (E) of rule 3335-1-06 of the Administrative Code, the Board has authority for the issuance of degrees and certificates; and

WHEREAS the faculties of the colleges and schools shall transmit, in accordance with rule 3335-9-29 of the Administrative Code, for approval by the Board of Trustees the names of persons who have completed degree and certificate requirements:

NOW THEREFORE

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BE IT RESOLVED, That the degrees and certificates be conferred on June 10, 2007, to those persons who have completed the requirements for their respective degrees and certificates and are recommended by the colleges and schools, and that the names of those persons awarded degrees and certificates be included in the minutes of this meeting.

PERSONNEL ACTIONS

Resolution No. 2007-148

WHEREAS, a public notice and hearing is required per Ohio Revised Code section 3307.353 regarding retirement and rehire actions contemplated for specified leadership positions; and

WHEREAS David O. Frantz, Secretary to the Board of Trustees, has announced his intention to enter retirement status and therefore initiate retirement benefits from State Teachers Retirement System, and subsequently return to his university position as a returning retiree:

NOW THEREFORE

BE IT RESOLVED, That a public hearing is hereby scheduled for anyone who wishes to comment on this employment action, to occur on Friday, July 6, 2007, at 10:00 a.m., in Room 200 Bricker Hall. A University official will preside over the hearing; and

BE IT FURTHER RESOLVED, That the personnel actions as recorded in the Personnel Budget Records of the University since the May 4, 2007 meeting of the Board, including the following Appointments, Concurrent Appointment, Reappointment, Leaves of Absence Without Salary, Professional Improvement Leaves, and Emeritus Titles, be approved.

Appointments

Name: GERALD S. FRANKEL
Title: Professor (The Det Norske Veritas (DNV) Designated Chair in Materials Science and Engineering)
Department: Materials Science and Engineering
Effective: July 1, 2007 through June 30, 2010

Name: AVNER FRIEDMAN
Title: Distinguished University Professor
Department: Mathematics
Effective: June 1, 2007

Name: N. GEOFFREY PARKER
Title: Distinguished University Professor
Department: History
Effective: June 1, 2007
Concurrent Title: The Andreas Dorpalen Designated Professorship in European History

Name: ELIZABETH O. SEELY
Title: Executive Director
Hospital/Institute: Ohio State University Hospitals East
Effective: May 1, 2007

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Concurrent Appointment

Name: WILLIAM A. BAESLACK III
Title: Interim Executive Dean for the Professional Colleges
Term: July 1, 2007 through June 30, 2008
Concurrent Title: Dean, College of Engineering

Reappointment

Name: JAY L. ZWEIER
Title: Director
Department: Davis Heart and Lung Research Institute
Effective: July 1, 2007 through June 30, 2008

Leave of Absence Without Salary

BERYL A. MILLER, Professor, Department of Dance, effective Autumn Quarter 2007, to work as artistic director of Bebe Miller Co.

CHADWICK ALLEN, Associate Professor, Department of English, effective Autumn Quarter 2007, Winter Quarter and Spring Quarter 2008, to accept a Visiting Professorship in the Department of English, University of Oregon, Eugene, Oregon.

TIEN-HSIEN CHANG, Associate Professor, Department of Molecular Genetics, effective Autumn Quarter 2007, Winter Quarter and Spring Quarter 2008, to accept the position as Research Vice Director at Cheng Technology Corporation, Taiwan.

GREGOR G. HOMAN, Assistant Professor, Ohio State University Extension, effective Autumn Quarter 2007, Winter Quarter and Spring Quarter 2008, to accept a Visiting Professorship at Wright State University, Lake Campus, Celina, Ohio.

Professional Improvement Leaves

NOEL A. CRESSIE, Professor, Department of Statistics, effective Autumn Quarter 2007 and Winter Quarter 2008.

BORIS S. MITYAGIN, Professor, Department of Mathematics, effective Autumn Quarter 2007, Winter Quarter and Spring Quarter 2008.

ELENA G. IRWIN, Associate Professor, Department of Agricultural, Environmental and Development Economics, effective Autumn Quarter 2007 and Winter Quarter 2008.

BRIAN E. ROE, Associate Professor, Department of Agricultural, Environmental and Development Economics, effective Autumn Quarter 2007 and Winter Quarter 2008.

MATTHEW R. SALTZMAN, Associate Professor, School of Earth Sciences, effective Autumn Quarter 2007 and Winter Quarter 2008.

SANDRA J. TANENBAUM, Associate Professor, College of Public Health, effective Autumn Quarter 2007 and Winter Quarter 2008.

SHARON C. WEST, Associate Professor, School of Communication, effective Winter Quarter and Spring Quarter 2008.

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Professional Improvement Leaves — Change in Dates

NEIL G. JACOBS, Professor, Department of Germanic Languages and Literatures, change leave from Autumn Quarter 2007, Winter Quarter and Spring Quarter 2008, to Winter Quarter and Spring Quarter 2008.

CATHY A. RAKOWSKI, Associate Professor, Department of Human and Community Resource Development change leave from Autumn Quarter 2007, Winter Quarter and Spring Quarter 2008, to Winter Quarter and Spring Quarter 2008.

CHRISTOPHER A. REED, Associate Professor, Department of History, change leave from Autumn Quarter 2007, Winter Quarter and Spring Quarter 2008, to Winter Quarter and Spring Quarter 2008.

Emeritus Titles

WILLIAM L. BERRY, Department of Management Sciences, with the title Professor Emeritus, effective July 1, 2007.

JOSEPH F. DASTA, College of Pharmacy, with the title Professor Emeritus, effective July 1, 2007.

BURK A. DEHORITY, Department of Animal Sciences, with the title Professor Emeritus, effective June 1, 2007.

LEE A. HEBERT, Department of Internal Medicine (Nephrology), with the title Professor Emeritus, effective July 1, 2007.

KEITH M. KILTY, College of Social Work, with the title Professor Emeritus, effective July 1, 2007.

MELVIN L. MOESCHBERGER, College of Public Health, with the title Professor Emeritus, effective October 1, 2007.

JUDITH E. WELKER, Ohio State University Extension, with the title Assistant Professor Emeritus, effective June 1, 2007.

UNIVERSITY DEVELOPMENT REPORT

Resolution No. 2007-149

Synopsis: The University Development Report for April 2007 is presented for Board acceptance.

WHEREAS monies are solicited and received on behalf of the University from alumni, industry, and various individuals in support of research, instructional activities, and service; and

WHEREAS such gifts are received through The Ohio State University Development Fund and The Ohio State University Foundation; and

WHEREAS this report includes the establishment of The Det Norske Veritas (DNV) Designated Chair in Materials Science and Engineering; and

WHEREAS this report includes the establishment of seventeen (17) new named endowed funds and the revision of two (2) endowed funds:

NOW THEREFORE

May 31 and June 1, 2007 meeting, Board of Trustees

BE IT RESOLVED, That the acceptance of the report from The Ohio State University Development Fund and The Ohio State University Foundation during the month of April 2007 be approved.

PRIVATE SUPPORT – TOTAL FUND RAISING ACTIVITY

	July 2006 – April 2007	July 2005 – April 2006	<u>% Change</u>
Gift Receipts			
Cash, Securities, GlK	\$99,247,378	\$97,171,928	2
Gifts-in-Kind	\$4,754,327	\$4,866,700	(2)
Irrevocable Trusts & Annuities	\$2,148,339*	\$1,077,388	99
Gifts from Bequests	<u>\$10,046,691</u>	<u>\$9,678,707</u>	4
Total Gift Receipts	\$116,196,736	\$112,794,723	3
Net Pledges Acquired	\$19,441,715	\$28,366,220	(31)
Net Revocable Planned Gifts Acquired			
Bequest Expect	\$21,624,341	\$20,223,179	7
Trust Expectancies	<u>\$11,453,595</u>	<u>\$14,962,556</u>	(23)
Total Net Planned Gifts	<u>\$33,077,936</u>	<u>\$35,185,735</u>	(6)
Total	\$168,716,387	\$176,346,678	(4)

* Per national reporting standards, irrevocable trusts are counted at present value.

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TOTAL UNIVERSITY PRIVATE SUPPORT
July through April
2006-2007 Compared to 2005-2006
GIFT RECEIPTS BY DONOR TYPE

	<u>Donors</u>			<u>Dollars</u>		
	<u>2006-07</u>	<u>2005-06</u>	<u>%Change</u>	<u>2006-07</u>	<u>2005-06</u>	<u>%Change</u>
Individuals:						
Alumni (Current Giving)	58,847	56,791	4	\$30,989,633	\$30,950,021	0
Alumni (Irrevocable Trusts & Annuities)	24	18	33	2,087,155*	333,419	526 ^A
Alumni (From Bequests)	<u>50</u>	<u>41</u>	<u>22</u>	<u>4,985,905</u>	<u>4,269,764</u>	<u>17^B</u>
Alumni Total	58,921	56,850	4	\$38,062,693	\$35,553,205	7
Non-Alumni (Current Giving)	37,139	36,621	1	\$18,957,407	\$22,297,028	(15) ^C
Non-Alumni (Irrevocable Trusts & Annuities)	7	8	(13)	61,184*	743,969	(92) ^D
Non-Alumni (From Bequests)	<u>33</u>	<u>34</u>	<u>(3)</u>	<u>5,060,786</u>	<u>5,408,943</u>	<u>(6)</u>
Non-Alumni Total	37,179	36,663	1	\$24,079,377	\$28,449,939	(15)
Individual Total	96,100	93,513	3	\$62,142,070	\$64,003,144	(3)
Corporations/Corp/Foundation	3,725	3,942	(6)	\$26,542,803	\$26,740,355	(1)
Private Foundations	593	521	14	\$21,482,810	\$17,319,605	24 ^E
Associations & Other Organizations	<u>1,412</u>	<u>1,482</u>	<u>(5)</u>	<u>\$6,029,052</u>	<u>\$4,731,619</u>	<u>27^F</u>
Grand Total	101,830	99,458	2	\$116,196,736	\$112,794,723	3

* Per national reporting standards irrevocable trusts are counted at present value.

- A Individual Alumni Irrevocable gifts are up 526% due to \$2.3M (\$1.1M present value) in gift annuities from Joe and Elizabeth Engle
- B Individual Alumni bequest receipts are up 17% due to a \$1.7M bequest from Peter and Pauline Chichilo in September 2006 for an unrestricted endowment
- C Individual Non-Alumni Current gifts are down 15% due to a gift-in-kind of original magazine collection from Eldon Dedini to the Libraries (valued at \$5M) in March 2006
- D Individual Non-Alumni Irrevocable gifts are down 92% due to one \$1M (\$500K present value) irrevocable commitment in August 2005 from Emily Hathaway
- E Private Foundations giving is up 24% due to a \$1.9M gift from the Kravinsky Foundation in August 2006 to the College of Public Health, a \$1.1M gift from the Paul G. Duke Foundation in January 2007 to the Thompson Library Renovation, a 1M gift from the Jay and Jeanie Schottenstein Foundation in January 2007 to Cardiovascular Science, and a \$1M gift from the William and Dorothy Davis Foundation in December 2006 to the Heart and Lung Institute
- F Associations and Other Organizations giving is up 27% due to a \$590K gift from the Joe R. Engle Revocable Trust in October 2006 for freshmen scholarships, and to overall activity at the \$100K+ level (eight at this level in July 2006 - March 2007 compared with four in July 2005 - March 2006)

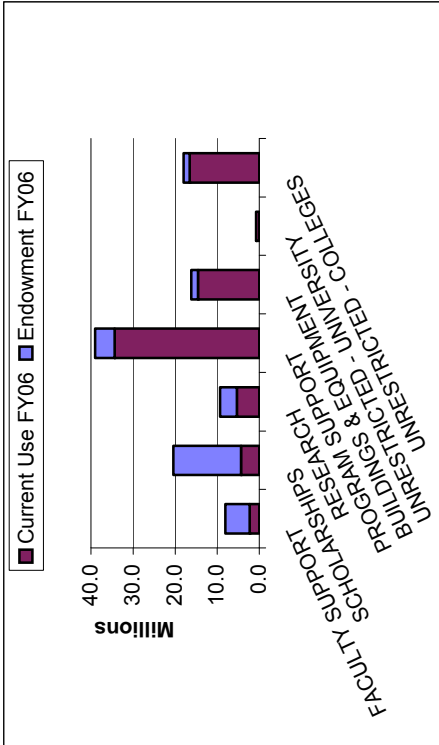
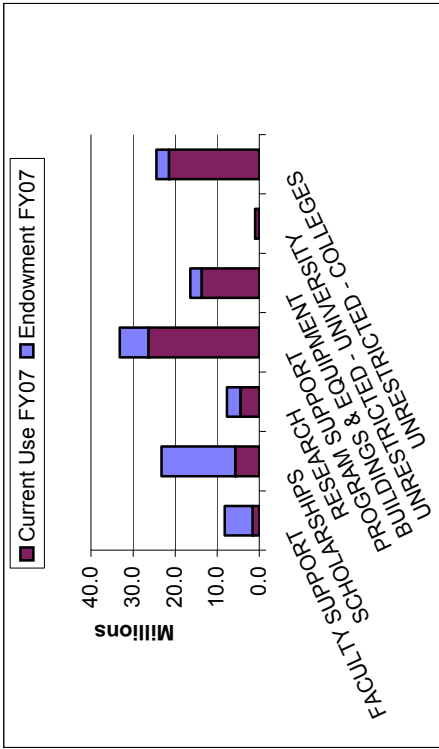
GIFT RECEIPTS BY PURPOSE

Dollars

July through April

	<u>Current Use</u>	<u>FY 2006-2007</u> <u>Endowment</u>	<u>Total</u>	<u>Current Use</u>	<u>FY 2005-06</u> <u>Endowment</u>	<u>Total</u>	<u>%Change</u>
FACULTY SUPPORT	1,582,237	6,615,783	8,198,020	2,308,542	5,742,214	8,050,756	2
SCHOLARSHIPS	5,668,899	17,588,833	23,257,732	4,341,598	16,039,618	20,381,217	14
RESEARCH	4,446,736	3,189,818	7,636,555	5,341,707	3,994,401	9,336,108	(18)
PROGRAM SUPPORT	26,333,794	6,837,337	33,171,131	34,359,933	4,667,491	39,027,423	(15)
BUILDINGS & EQUIPMENT	13,738,886	2,655,623	16,394,508	14,577,266	1,582,171	16,159,437	1
UNRESTRICTED – UNIVERSITY	957,530	---	957,530	761,037	---	761,037	26
UNRESTRICTED – COLLEGES	21,445,928	2,987,005	24,432,933*	16,551,289	1,449,825	18,001,114	36
TOTAL	\$74,174,010	\$39,874,399	\$114,048,408	\$78,241,372	\$33,475,720	\$111,717,092	2

*Purpose Report Total does not include Irrevocable Deferred gifts, so the total will be lower than the total on the Donor Type Report.



THE OHIO STATE UNIVERSITY DEVELOPMENT FUND

Total
Gifts

Establishment of Named Endowed Funds

The William H. Davis, Dorothy M. Davis, and William C. Davis Foundation Research Endowment Fund in Cardiovascular and Pulmonary Medicine \$1,500,000.00
(Used to support faculty members in the fields of cardiovascular or pulmonary medicine within the Davis Heart and Lung Research Institute; provided by discretionary funds from DHLRI, the College of Medicine, and the Office of Health Sciences)

The College of Food, Agricultural, and Environmental Sciences Study Abroad Fund \$45,320.00
(Used to support undergraduate students participating in the College of Food, Agricultural, and Environmental Sciences-approved study abroad programs; provided by gifts from the Southard Foundation and family and friends of the college in honor of Dorothy Southard) (grandfathered)

Change in Description of Named Endowed Fund

The Gwen H. Kagey Endowed Scholarship Fund

THE OHIO STATE UNIVERSITY FOUNDATION

Establishment of Named Designated Chair

The Det Norske Veritas (DNV) Designated Chair in Materials Science and Engineering \$120,000.00
(per yr for 3 yrs)
(Used to support studies in the area of corrosion on topics of interest and importance to DNV; provided by a gift from DNV Research and Innovation)

Establishment of Named Endowed Funds

The D.A. Dickey Scholarship in Engineering Fund \$252,418.96
(Used to provide merit scholarships to deserving undergraduates in the College of Engineering; provided by the residual of a unitrust from Ms. Jean E. Dickey)

James Homer Robinson Jr. Endowment Fund \$81,102.65
(Used by the University for general purposes; provided by unrestricted gifts from the estate of Ruth "Virginia" Robinson in memory of her son, James Homer Robinson Jr.)

The American Council of the Blind of Ohio Scholarship Fund \$50,100.00
(Used to provide scholarships for existing undergraduate or graduate students with preference for those studying to be educators for children who are visually impaired; provided by gifts from The American Council of the Blind of Columbus, Ohio)

The 86/61 Athletic Scholarship Fund \$50,000.00
(Used to supplement the grant-in-aid scholarship costs of an undergraduate student-athlete who is a member of the varsity football team; provided by gifts from Gary J. Marcinick and Richard M. Nash)

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The Heffner Scholarship Fund in Medicine (Used to provide scholarships to medical students based on financial need with preference given to students who have served in leadership roles that called upon their abilities to lead an organization in innovative ways; provided by gifts from The Heffner Fund of Columbus, Ohio)	\$50,000.00
Thomas J. Byers Memorial Scholarship Fund (Used to provide scholarship support for students in the Department of Molecular Genetics; provided by gifts from family, friends, and colleagues in memory of Dr. Thomas Jones Byers) (grandfathered)	\$27,940.00
David L. Kahler Power Equipment Endowed Scholarship Fund (Used to provide scholarships for undergraduates in the Department of Food, Agricultural and Biological Engineering and undergraduates in the power equipment technology program at the Agricultural Technical Institute; provided by gifts from David L. and Linda Kahler, members of their family, and others) (grandfathered)	\$27,623.00
Catherine Elizabeth Woods Dance Scholarship Fund (Used to provide scholarship support to an outstanding undergraduate or graduate student enrolled in the College of the Arts, Department of Dance, majoring in dance; provided by gifts in Catherine's memory from friends and family) (grandfathered)	\$27,535.00
James D. Brown Endowed Fund in Athletics (Used to provide unrestricted support for the golf program; provided by gifts from an anonymous donor) (grandfathered)	\$25,214.81
Lynda J. Heyl and Lester Barnhart Fund for Excellence (Used to provide financial aid to worthy full-time students on the Columbus campus without regard to financial need who are residents of Madison County, Ohio, but who may have attended a high school outside Madison County; provided by gifts from Lynda J. Heyl and Lester E. Barnhart) (grandfathered)	\$25,054.08
The Ronald Hodges MD and Paula Kimpton Hodges Scholarship Fund in Medicine (Used to provide scholarships to medical students based on academic merit and/or financial need; provided by gifts from Dr. Ronald Hodges and Paula Kimpton Hodges) (grandfathered)	\$25,000.00
The Junk Family Endowed Scholarship Fund (Used to provide scholarship support for one outstanding student in the College of Veterinary Medicine with preference given to a student from Fayette County, Ohio; provided by gifts from Dr. Gary Junk) (grandfathered)	\$25,000.00
The David and Ellen Stafman Scholarship Fund (Used to provide need-based scholarship support to undergraduate students in the Fisher College of Business with preference given to out-of-state students; provided by gifts from David and Ellen Stafman) (grandfathered)	\$25,000.00
The William S. Stinson Jr. Scholarship Endowment Fund (Used to support scholarships for undergraduate and/or graduate students enrolled in the Department of Food Science and Technology; provided by gifts from Dr. William S. Stinson Jr.) (grandfathered)	\$25,000.00

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The Ralph C. Tyler Memorial Engineering Scholarship Fund (Used to provide scholarships with particular attention to, but not limited to African-American students majoring in engineering, with additional preference being given to civil engineering majors and graduates of Cleveland, Ohio, area high schools; provided by gifts in his memory from family, friends, and employees of the Ralph Tyler Companies of Cleveland, Ohio) (grandfathered)	\$25,000.00
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Change in Name and Description of Named Endowed Fund

From:	The Ohio Agricultural Research and Development Center Innovation Fund
To:	The Forest and Karen Muir OARDC Innovation Fund

Total	\$2,407,308.50
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THE OHIO STATE UNIVERSITY DEVELOPMENT FUND

Establishment of Named Endowed Funds

The William H. Davis, Dorothy M. Davis, and William C. Davis Foundation
Research Endowment Fund in Cardiovascular and Pulmonary Medicine

The William H. Davis, Dorothy M. Davis, and William C. Davis Foundation Research Endowment Fund in Cardiovascular and Pulmonary Medicine at The Dorothy M. Davis Heart and Lung Research Institute (DHLRI) was established June 1, 2007, by the Board of Trustees of The Ohio State University, with discretionary funds from the DHLRI, the College of Medicine, and the Office of Health Sciences.

The annual distribution from this fund shall provide annual support for faculty members in the fields of cardiovascular or pulmonary medicine within The Dorothy M. Davis Heart and Lung Research Institute at The Ohio State University. The number of annual awards distributed and the selection of the recipients will be recommended by the director of the DHLRI in consultation with the director's executive cabinet, and approval of the dean of the College of Medicine and of the senior vice president for Health Sciences. The activities of the recipients will be reviewed no less than annually by the director of DHLRI and the director's executive cabinet to determine compliance with the intent of the endowment.

Research activities to be supported shall include salary, research personnel, equipment, supplies, and other necessary expenses of an active researcher. Each recipient will decide how to utilize this support with the approval of the director of The Dorothy M. Davis Heart and Lung Research Institute.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

This fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees as recommended by the senior vice president for Health Sciences and the dean of the College of Medicine in consultation with the director of The Dorothy M. Davis Heart and Lung Research Institute. Any such alternate distributions shall be made in a

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manner as nearly aligned with the original intent as good conscience and need dictate.

Amount Establishing Endowment: \$1,500,000.00

The College of Food, Agricultural, and Environmental Sciences Study Abroad Fund

The College of Food, Agricultural, and Environmental Sciences Study Abroad Fund was established June 1, 2007, by the Board of Trustees of The Ohio State University with gifts from the Southard Foundation and family and friends of the College in honor of Dorothy Southard.

The annual distribution from this fund shall be used to support the College of Food, Agricultural, and Environmental Sciences (FAES) undergraduate students participating in FAES-approved study abroad programs. Uses shall include, but not be exclusively for: transportation, books, fees, and tuition. The use of the fund shall be directed by the vice president for Agricultural Administration and University Outreach, and executive dean for Food, Agricultural, and Environmental Sciences.

In any given year that the endowment distribution is not fully expended, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees as recommended by the vice president for Agricultural Administration and University Outreach, and executive dean for Food, Agricultural, and Environmental Sciences. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donors as good conscience and need dictate.

Amount Establishing Endowment: \$45,320.00 (grandfathered)

Change in Description of Named Endowed Fund

The Gwen H. Kagey Endowed Scholarship Fund

The Gwen H. Kagey Endowed Scholarship Fund was established October 6, 1995, by the Board of Trustees of The Ohio State University with gifts from the estate of Gwen H. Kagey (B.A. Theater, 1975). Gwen was a faculty member in the Department of Dance and was a frequent visitor to the College of Humanities office. The description was revised June 1, 2007.

The annual distribution from this fund shall be used to provide support for undergraduate or graduate-level students in the Department of African-American and African Studies to attend conferences, workshops, study abroad programs, and other activities as approved by the dean of the College of Humanities in consultation with the chairperson of the Department of African-American and African Studies.

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The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees as recommended by the dean of the College of Humanities in conjunction with the chairperson of the Department of African-American and African Studies. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donor as good conscience and need dictate.

THE OHIO STATE UNIVERSITY FOUNDATION

Establishment of Named Designated Chair

The Det Norske Veritas (DNV) Designated Chair in Materials Science and Engineering

The Det Norske Veritas (DNV) Designated Chair in Materials Science and Engineering was established June 1, 2007, by the Board of Trustees of The Ohio State University with funds from a gift to The Ohio State University Foundation from DNV Research and Innovation. The generosity of DNV Research and Innovation is recognized and appreciated.

Funds from the gift will support studies by the designated chair in the area of corrosion on topics of interest and importance to DNV.

Appointment for a three-year term will be recommended by the dean of the College of Engineering to the executive vice president and provost, and the Board of Trustees for their final approval. The chair holder may be reappointed to another term following favorable assessment of the holder's academic and research performance, and accomplishments, during an appointment, and subject to the availability of funding.

Yearly Funding Amount:	\$120,000.00
Total Commitment:	\$360,000.00

The D.A. Dickey Scholarship in Engineering Fund

The D.A. Dickey Scholarship in Engineering Fund was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with the residual of a unitrust from Ms. Jean E. Dickey (B.S., 1944) in memory of her late father, D.A. Dickey (B.E.E., 1916).

The annual distribution from this fund shall be used by the dean of the College of Engineering to provide merit scholarships to deserving undergraduates in the College. Students selected as D.A. Dickey Scholars will be eligible for renewal pending a review of their academic progress. The dean will be responsible for administering these scholarships in cooperation with the Office of Student Financial Aid.

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The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the dean of the College of Engineering. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donor as good conscience and need dictate.

Amount Establishing Endowment: \$252,418.96

James Homer Robinson Jr. Endowment Fund

The James Homer Robinson Jr. Endowment Fund was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with unrestricted gifts from the estate of Ruth "Virginia" Robinson in memory of her son, James Homer Robinson Jr.

The annual distribution from this fund shall be used by the University for general purposes at the discretion of the president and the senior vice president for Business and Finance.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the president and by the senior vice president of Business and Finance of the Ohio State University Foundation. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donor as good conscience and need dictate.

Amount Establishing Endowment: \$81,102.65

The American Council of the Blind of Ohio Scholarship Fund

The American Council of the Blind of Ohio Scholarship Fund was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from the American Council of the Blind of Ohio (ACB-Ohio) of Columbus, Ohio.

The annual distribution from this fund shall provide scholarships for existing undergraduate or graduate students who have a minimum 3.0 grade point average. It is the donor's desire that qualified students demonstrate their enrollment in an academic major or program through which they are studying to be educators for children who are visually impaired. If such an applicant does not exist in a current academic year then it is the donor's desire that visually impaired students may become eligible for this scholarship. It is the donor's

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preference that qualified students be residents of Ohio. Qualified students may be enrolled as full-time or part-time students and at either the main campus or a regional campus.

The scholarship shall be distributed equally over three quarters of the academic school year for expenses such as the cost of tuition, room and board, books, an educational stipend, and miscellaneous educational expenses above the recipient's federal, state, and additional grant and financial aid awards. It is the donor's desire that the scholarships be awarded in the minimum amount of \$2,000 each. Renewability is contingent on the recipients' reapplication to be considered in a competitive and annual selection process.

The Office of Student Financial Aid will administer this scholarship fund in consultation with the College of Education and Human Ecology, the Office of Disability Services, and the ACB-Ohio. Any unused annual distribution shall be reinvested to the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

The donor desires that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the director of the Office of Student Financial Aid in consultation with the donor. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donor as good conscience and need dictate.

Amount Establishing Endowment: \$50,100.00

The 86/61 Athletic Scholarship Fund

The 86/61 Athletic Scholarship Fund was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Gary J. Marcinick (B.S.Bus.Adm., 1986) and Richard M. Nash.

The annual distribution from this fund shall be used to supplement the grant-in-aid scholarship costs of a student-athlete who is pursuing an undergraduate degree at The Ohio State University and is a member of the varsity football team. The recipient will be selected by the director of Athletics in consultation with the Office of Student Financial Aid.

In any given year that the endowment distribution is not fully expended, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the director of Athletics. Any such alternate distributions shall be made in a manner as

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nearly aligned with the original intent of the donors as good conscience and need dictate.

Amount Establishing Endowment:	\$50,000.00
Total Commitment:	\$100,000.00

The Heffner Scholarship Fund in Medicine

The Heffner Scholarship Fund in Medicine was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation with gifts from The Heffner Fund of Columbus, Ohio.

The annual distribution from this fund shall be used to provide one or more scholarships to medical students in the College of Medicine based on financial need, with preference given to students who have served in leadership roles that called upon their abilities to lead an organization in innovative ways, propelling the organization to excellence. The selection shall be made by the recommendation of the dean of the College of Medicine in consultation with the senior vice president for Health Sciences and with the College of Medicine Committee for Scholarship Awards and the Office of Student Financial Aid.

In any given year that the endowment distribution is not fully expended, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the dean of the College of Medicine and by the senior vice president for Health Sciences. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donor as good conscience and need dictate.

Amount Establishing Endowment:	\$50,000.00
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Thomas J. Byers Memorial Scholarship Fund

The Thomas J. Byers Memorial Scholarship Fund was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from family, friends, and colleagues in memory of Dr. Thomas Jones Byers. This is a fitting tribute to the memory of Professor Byers, who was renowned for his concern for students and his tireless efforts on their behalf.

The annual distribution from this fund shall provide scholarship support for students in the Department of Molecular Genetics in the College of Biological Sciences. Scholarship recipients shall be selected by the dean of the College of Biological Sciences in consultation with the chairperson of the Department of Molecular Genetics and the Office of Student Financial Aid.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be

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assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the dean of the College of Biological Sciences. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donors as good conscience and need dictate.

Amount Establishing Endowment: \$27,940.00 (grandfathered)

David L. Kahler Power Equipment Endowed Scholarship Fund

The David L. Kahler Power Equipment Endowed Scholarship Fund was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from David L. (B.S., 1969) and Linda Kahler, members of their family, and others.

The annual distribution from this fund shall be divided equally between scholarships in the Department of Food, Agricultural, and Biological Engineering and the Agricultural Technical Institute (ATI). Scholarships in the Department of Food, Agricultural, and Biological Engineering shall be awarded to undergraduates with the first priority for students interested in a career in power equipment. Recipients will be selected by the chairperson of the Department of Food, Agricultural, and Biological Engineering, the Undergraduate Scholarship Committee, and the Office of Student Financial Aid. Scholarships at ATI shall be awarded to students in the power equipment technology program, specifically for incoming freshmen as an enticement for them to enroll at ATI. Recipients will be selected by the director of the Agricultural Technical Institute, the scholarship committee, and the coordinator of Financial Aid at ATI in consultation with the Office of Student Financial Aid.

Should scholarships in the areas designated above not be needed, the donor prefers that the distribution be used for programs in the Department of Food, Agricultural, and Biological Engineering or other programs at ATI as designated by the vice president for Agricultural Administration and University Outreach, and executive dean for Food, Agricultural, and Environmental Sciences or his/her successor in consultation with the chairperson of the Department of Food, Agricultural, and Biological Engineering as well as the director of the Agricultural Technical Institute in Wooster.

In any given year that the endowment distribution is not fully expended, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation

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Board as recommended by the vice president for Agricultural Administration and University Outreach, and executive dean for Food, Agricultural, and Environmental Sciences. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donors as good conscience and need dictate.

Amount Establishing Endowment: \$27,623.00 (grandfathered)

Catherine Elizabeth Woods Dance Scholarship Fund

The Catherine Elizabeth Woods Dance Scholarship Fund was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts in Catherine's memory from friends and family.

Catherine grew up surrounded by music and dance became her life's passion. By age three she was studying dance; her dedication to dance and her talent grew through the years. Catherine dreamed of becoming a professional dancer; after graduating from high school, she moved to New York City to pursue her dream. In New York, she continued her diligent study of dance, took vocal lessons, trained faithfully, and attended auditions relentlessly. Her family wishes to honor her memory and continue her dedication to dance by establishing this endowment to assist others in their pursuit of dance careers.

The annual distribution from this fund shall be used to provide scholarship support to an outstanding undergraduate or graduate student enrolled in the College of the Arts, Department of Dance, majoring in dance with aspirations of becoming a professional dancer. Scholarship recipients shall be selected by the chairperson of the Department of Dance in consultation with the dean of the College of the Arts and the Office of Student Financial Aid.

In any given year that the endowment distribution is not fully expended, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the dean of the College of the Arts. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donors as good conscience and need dictate.

Amount Establishing Endowment: \$27,535.00 (grandfathered)

James D. Brown Endowed Fund in Athletics

The James D. Brown Endowed Fund in Athletics was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from an anonymous donor. In the future, other donors who wish to support the golf program may give to this fund.

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The annual distribution from this fund shall be for unrestricted use by the varsity golf coaches in the Department of Athletics with approval from the director of Athletics or his/her designee.

In any given year that the endowment distribution is not fully expended, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the director of Athletics. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donor as good conscience and need dictate.

Amount Establishing Endowment:	\$25,214.81 (grandfathered)
Total Commitment:	\$50,000.00

Lynda J. Heyl and Lester Barnhart Fund for Excellence

The Lynda J. Heyl and Lester Barnhart Fund for Excellence was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Lynda J. Heyl and Lester E. Barnhart.

The annual distribution shall be added to the principal until the fund's market value reaches \$50,000, after which 80% of the annual distribution shall be used to provide financial aid to one or more worthy full-time students on the Columbus campus without regard to financial need who are residents of Madison County, Ohio, but who may have attended a high school outside Madison County. Candidates must demonstrate exemplary commitment to leadership and service to the campus community while attending The Ohio State University; the award is renewable for recipients who meet this criteria. Recipients shall be selected by the Office of Student Financial Aid.

Twenty percent (20%) of the annual distribution shall be returned to the principal annually. In any given year that the endowment distribution is not fully expended, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the Office of Student Financial Aid. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donors as good conscience and need dictate.

Amount Establishing Endowment:	\$25,054.08 (grandfathered)
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The Ronald Hodges MD and Paula Kimpton Hodges Scholarship Fund in Medicine

The Ronald Hodges MD and Paula Kimpton Hodges Scholarship Fund in Medicine was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation with gifts from Dr. Ronald Hodges (B.S., 1968; M.D., 1972) and Paula Kimpton Hodges, R.N., M.S.N., F.N.P., of Danville, Virginia.

The annual distribution from this fund shall be used to provide one or more scholarships to medical students in the College of Medicine based on academic merit and/or financial need. The selection shall be made by the recommendation of the senior vice president for Health Sciences and dean of the College of Medicine in consultation with the College of Medicine Committee for Scholarship Awards and with the Office of Student Financial Aid.

In any given year that the endowment distribution is not fully expended, the unused portion should be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the senior vice president for Health Sciences and the dean of the College of Medicine. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donor as good conscience and need dictate.

Amount Establishing Endowment: \$25,000.00 (grandfathered)

The Junk Family Endowed Scholarship Fund

The Junk Family Endowed Scholarship Fund was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Dr. Gary Junk (B.S.Agr., 1970; D.V.M., 1975) of Washington Courthouse, Ohio.

The annual distribution from this fund shall provide scholarship support for one outstanding student in the College of Veterinary Medicine, with first preference going to a student from Fayette County, Ohio. Recipients will be selected by the dean of the College of Veterinary Medicine in consultation with the Office of Student Financial Aid and the associate dean for Student Affairs.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the dean of

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the College of Veterinary Medicine. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donor as good conscience and need dictate.

Amount Establishing Endowment: \$25,000.00 (grandfathered)

The David and Ellen Stafman Scholarship Fund

The David and Ellen Stafman Scholarship Fund was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from David (B.S.Bus.Adm., 1979) and Ellen Stafman of Deerfield, Illinois.

The annual distribution from this fund shall provide need-based scholarship support to an undergraduate student(s) in The Max M. Fisher College of Business with preference given to out-of-state students. Selection of the recipient(s) shall be made by the director of the Undergraduate Programs Office in consultation with the Office of Student Financial Aid.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the dean of the Fisher College of Business. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donors as good conscience and need dictate.

Amount Establishing Endowment: \$25,000.00 (grandfathered)

The William S. Stinson Jr. Scholarship Endowment Fund

The William S. Stinson Jr. Scholarship Endowment Fund was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Dr. William S. Stinson Jr. (B.S., 1961; M.S., Horticulture 1964; Ph.D., 1966) of Lakeland, Florida.

The annual distribution from this fund shall be used to support scholarships for undergraduate and/or graduate students enrolled in the Department of Food Science and Technology in the College of Food, Agricultural, and Environmental Sciences. Scholarship recipients will be selected by the vice president for Agricultural Administration and University Outreach, and executive dean for Food, Agricultural, and Environmental Sciences in consultation with the Office of Student Financial Aid.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

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It is the desire of the donor that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the vice president for Agricultural Administration and University Outreach, and executive dean for Food, Agricultural, and Environmental Sciences. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donor as good conscience and need dictate.

Amount Establishing Endowment: \$25,000.00 (grandfathered)

The Ralph C. Tyler Memorial Engineering Scholarship Fund

The Ralph C. Tyler Memorial Engineering Scholarship Fund was established June 1, 2007, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation in memory of Ralph C. Tyler, P.E., P.S. (B.C.E., 1948), with gifts from family, friends, and the employees of the Ralph Tyler Companies of Cleveland, Ohio.

The annual distribution from this fund shall be used to support educational diversity at the University consistent with the University's mission and admissions policy. It is the donors' desire that the scholarships be awarded in furtherance of the diversity mission with particular attention to, but not limited to African-American students who have been accepted for admissions at the University and are majoring in engineering. Additional preference will be given to civil engineering majors and graduates of Cleveland, Ohio, area high schools. Renewal will depend upon suitable progress towards a bachelor of science degree in an engineering field. The award recipients shall be chosen by the dean of the College of Engineering in consultation with College's Minority Engineering Office and the Office of Student Financial Aid. The University may modify any selection criteria should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by dean of the College of Engineering. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donors as good conscience and need dictate.

Amount Establishing Endowment: \$25,000.00 (grandfathered)

Change in Name and Description of Named Endowed Fund

The Forest and Karen Muir OARDC Innovation Fund

The Ohio Agricultural Research and Development Center Innovation Fund was established March 1, 2002, by the Board of Trustees of The Ohio State University in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Forest (Ph.D., 1967) and Karen Muir of Wooster, Ohio. The name and description were revised June 1, 2007.

May 31 and June 1, 2007 meeting, Board of Trustees

The annual distribution from this fund shall be used by the director of the Ohio Agricultural Research and Development Center to enhance and foster innovative concepts and visions that impact and advance excellence in agriculture. Unused distribution shall be reinvested in the principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the director of the Ohio Agricultural Research and Development Center. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donors as good conscience and need dictate.

APPOINTMENT OF INVESTMENT MANAGERS AND REALLOCATION OF FUNDS

Resolution No. 2007-150

Synopsis: Approval of the Appointment of Investment Managers and reallocation of funds is proposed.

WHEREAS it is the policy of The Ohio State University to utilize the service of external Investment Managers to assist in the management of the University's Endowment Fund; and

WHEREAS the Investments Committee of the Board of Trustees periodically reviews the results obtained by the external Investment Managers and the amount of funds assigned to each of them; and

WHEREAS it is prudent practice to reallocate funds assigned to external Investment Managers as conditions change; and

WHEREAS the number of external Investment Managers and the amount of funds assigned to them shall be determined by the Board of Trustees; and

WHEREAS the Board of Trustees last approved the Appointment of Investment Managers on April 6, 2007:

NOW THEREFORE

BE IT RESOLVED, That upon the recommendation of the Investments Committee of the Board of Trustees the following changes shall be made:

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	<u>Allocation as of 4/30/07</u>	<u>Changes</u>	<u>Revised Allocation</u>
<u>Domestic Large Cap Equity</u>			
State Street S&P 500 Index	\$213,841,409	(\$95,000,000)	\$118,841,409
<u>Domestic Mid Cap Equity</u>			
Meeder 100	\$104,586,473	(\$15,000,000)	\$89,586,473
Meeder Enhanced	\$46,858,382	(\$5,000,000)	\$41,858,382
State Street Extended Index	\$100,053,000	(\$60,000,000)	\$40,053,000
<u>Domestic Small Cap Equity</u>			
Nicholas Applegate Small Cap	\$91,110,185	(\$25,000,000)	\$66,110,185
State Street Russell 2000 Index	\$81,416,381	(\$70,000,000)	\$11,416,381
State Street Russell 2000 Value Index	\$49,278,997	(\$49,278,997)	0
<u>International Equity</u>			
State Street International Alpha Select	0	\$110,000,000	\$110,000,000
<u>Domestic Fixed Income</u>			
State Street Govt/Credit Index	\$76,244,414	(\$76,244,414)	0
State Street Aggregate Index	0	\$10,000,000	\$10,000,000
<u>High Yield Fixed Income</u>			
Commonfund High Yield	\$27,014,943	(\$20,000,000)	\$7,014,943
<u>International Fixed Income</u>			
State Street World Ex-US Index	\$21,347,725	\$5,000,000	\$26,347,725
<u>Real Estate</u>			
State Street REIT Index	\$91,148,468	\$33,000,000	\$124,148,468
<u>Absolute Return Funds</u>			
Commonfund Hedged Investors	\$73,238,461	(\$40,000,000)	\$33,238,461
Sirios	0	\$15,000,000	\$15,000,000
Och Ziff	0	\$30,000,000	\$30,000,000
<u>State Street Global Index-Placeholder</u>	0	\$30,000,000	\$30,000,000
<u>Venture Capital/Private Equity</u>			
JMI Equity Fund VI	0	\$10,000,000	\$10,000,000
Kelso VIII	0	\$10,000,000	\$10,000,000
<u>State Street Global Index-Placeholder</u>	0	\$125,000,000	\$125,000,000
<u>Natural Resources</u>			
State Street Global Index-Placeholder	0	\$70,000,000	\$70,000,000

(See Appendix LIX for background information, page 1279.)

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APPROVAL TO ENTER INTO DESIGN AND CONSTRUCTION CONTRACTS AND TO ENTER INTO A JOINT USE AGREEMENT

Resolution No. 2007-151

APPROVAL TO ENTER INTO DESIGN CONTRACTS
JOURNALISM BUILDING AND DERBY HALL - RENOVATION
POSTLE HALL – DEAN'S OFFICE RENOVATION
RHODES HALL – 10TH AND 11TH FLOOR EPILEPSY MONITORING UNIT
UNIVERSITY HOSPITALS – EMERGENCY DEPARTMENT EXPANSION

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APPROVAL TO ENTER INTO CONSTRUCTION CONTRACTS

LIMA CAMPUS – AGRICULTURAL BUILDING ADDITION
MORRILL TOWER – FRESH EXPRESS
POSTLE HALL – DEAN'S OFFICE RENOVATION
SMITH LABORATORY – THIRD FLOOR RENOVATION PHASE I
RHODES HALL – 10TH AND 11TH FLOOR EPILEPSY MONITORING UNIT

APPROVAL TO ENTER INTO A JOINT USE AGREEMENT

MADISON COUNTY AGRICULTURAL SOCIETY

Synopsis: Authorization to enter into design and construction contracts and to enter into a joint use agreement as detailed in the attached materials, is requested.

WHEREAS in accordance with the attached materials, the University desires to undertake, and enter into design contracts for, the following projects:

Journalism Building and Derby Hall – Renovation (N/A)	\$1.5M	College General Funds
Postle Hall – Dean's Office Renovation (N/A)	\$0.3M	Dentistry Operating and Development Funds
Rhodes Hall – 10 th and 11 th Floor Epilepsy Monitoring Unit (N/A)	\$0.7M	OSUMC Health Systems
University Hospitals – Emergency Department Expansion (05-06 Capital Request)	\$1.9M	OSUMC Health Systems

WHEREAS in accordance with the attached materials, the University desires to enter into construction contracts for the following projects:

Lima Campus – Agriculture Building Addition (05-06 Capital Request)	\$1.3M	College General Funds
Morrill Tower – Fresh Express (05-06 Capital Request)	\$0.5M	Student Affairs Operating Funds
Postle Hall – Dean's Office Renovation (N/A)	\$0.3M	Dentistry Operating and Development Funds
Rhodes Hall – 10 th and 11 th Floor Epilepsy Monitoring Unit (N/A)	\$0.7M	OSUMC Health Systems
Smith Laboratory - Third Floor Renovation Phase I (N/A)	\$0.5M	Wright Center Grant

WHEREAS in accordance with the rules of the Ohio Board of Regents, the University desires to enter into a joint use with the Madison County Agricultural Society for the following project:

OSU Extension Safety Improvements in Madison County	\$0.09M	Capital Appropriation: CAP-745
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**Parentheses indicates the biennial capital request or other action by the Board of Trustees to authorize the capital project; renovation projects funded by internal office or departmental funds that are noted as "N/A" have not had separate capital project authorization because of their smaller size or because they arose unexpectedly between capital planning cycles.*

NOW THEREFORE

BE IT RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to enter into design and construction contracts and to enter into a joint use agreement for the projects listed above in accordance with

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established University and State of Ohio procedures, with all actions to be reported to the Board at the appropriate time.

(See Appendix LX for background information and maps, page 1291.)

LONG-TERM LEASE RENEWAL

Resolution No. 2007-152

CREATIVE LIVING FACILITY
150 WEST 10TH AVENUE
COLUMBUS, OHIO

Synopsis: Authorization is requested for granting a renewal option to a long-term ground lease to Creative Living Housing Corporation, at 150 West 10th Avenue, Columbus, Ohio.

WHEREAS Creative Living Housing Corporation requests that the Board of Trustees of The Ohio State University grant an additional renewal term of 25 years to the lease of real property currently in place between the parties; and

WHEREAS Creative Living Housing Corporation has exercised its existing right to renew the lease and requests an additional renewal term of 25 years; and

WHEREAS the leased premises is used by Creative Living Housing Corporation to provide housing for students with physical disabilities; and

WHEREAS this long-term lease will be for a 25-year renewal term, at an annual rent of \$1.00 per year, and the lease of this property is in the best interest of the University:

NOW THEREFORE

BE IT RESOLVED, That the President and/or the Senior Vice President for Business and Finance be authorized to enter into a long-term ground lease with Creative Living Housing Corporation for the real property, as improved, at 150 West 10th Avenue, Columbus, Ohio, upon such additional terms and conditions as shall be in the best interest of the University.

(See Appendix LXI for background information and map, page 1303.)

GIFT OF REAL PROPERTY - ATI

Resolution No. 2007-153

HAWK'S NEST GOLF COURSE
2800 EAST PLEASANT HOME ROAD, CRESTON, OHIO

Synopsis: Authorization to accept a gift of improved real property, parcel number 07-00180.000, located at 2800 East Pleasant Home Road, Creston, Ohio, is proposed.

WHEREAS the Board of Trustees of The Ohio State University is presented with an opportunity to accept a gift of improved real property located at 2800 East Pleasant Home Road, Creston, Ohio, and owned by Earl and Betty Hawkins; and

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WHEREAS the appropriate University offices have determined that accepting the gift of this property is in the best interest of the University; and

WHEREAS funding for the maintenance and operation of this property will be provided by The Ohio State University Agricultural Technical Institute (ATI), Wooster:

NOW THEREFORE

BE IT RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized, in the name of the State of Ohio for the use of The Ohio State University, to accept the gift of improved real property located at 2800 East Pleasant Home Road, Creston, Ohio, from Earl and Betty Hawkins, upon such terms and conditions as are deemed to be in the best interest of the University.

(See Appendix LXII for background information, page 1305.)

COLUMBUS CAMPUS FISCAL YEAR 2008 USER CHARGES

Resolution No. 2007-154

Synopsis: Approval of the Columbus Campus Fiscal Year 2008 User Charges, is proposed.

WHEREAS the Fiscal Year 2008 increase in user charges for self-supporting units on the Columbus Campus including the Recreation fee, Student Health Insurance fee, and the room and board charge, as described on the accompanying text and tables, have been reviewed and recommended following appropriate consultation within the University; and

WHEREAS the University Health System has recommended a 7.6% weighted average increase in charges for services provided through the system in Fiscal Year 08; and

WHEREAS the Columbus Campus Supplemental Instructional Fees have been reviewed and presented for a first reading; and

WHEREAS Tuition, Subsidy and Supplemental Instructional Fee recommendations are not yet complete and will be forthcoming following the passage of the State Biennial Budget:

NOW THEREFORE

BE IT RESOLVED, That Fiscal Year 08, non-instructional user fees for the Columbus Campus and charges for the Health System services, as described in the accompanying text and tables, be approved.

(See Appendix LXIII for background information, page 1313.)

INTERIM BUDGET FOR FISCAL YEAR 2008

Resolution No. 2007-155

Synopsis: Authorization to make expenditures in Fiscal Year 2008 is proposed.

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WHEREAS the University has not yet finalized its operating budget for Fiscal Year 2008; and

WHEREAS it is necessary to continue University expenditures, including payment of faculty and staff, prior to the time that the Current Funds Budget for Fiscal Year 2008 is developed and adopted:

NOW THEREFORE

BE IT RESOLVED, That the University be authorized to make expenditures consistent with the level of resources approved for Fiscal Year 2007, pending the adoption of the General Funds Budget for Fiscal Year 2008 at the July Board of Trustees meeting and the Current Funds Budget for FY 2008 at the September Board of Trustees meeting.

Upon motion of Amb. Ong, seconded by Ms. Shackelford, the Board of Trustees adopted the foregoing resolutions by unanimous roll call vote, cast by Trustees Cloyd, Hendricks, McFerson, Ong, Borrer, Wexner, O'Dell, Shumate, Hicks, Fisher, Schottenstein, Brass, Shackelford, and Marbley.

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EASEMENTS

Resolution No. 2007-156

COLUMBUS SOUTHERN POWER COMPANY, AT&T OHIO, TIME
WARNER TELECOM OF OHIO, L.L.C. -- RESIDENCES AT LANE AND KENNY
LENNOX RETAIL LLC – 1570 OLENTANGY RIVER ROAD
EMBARQ CORPORATION – OSU, LIMA
AMERICAN ELECTRIC POWER – WOOSTER, OH
BOARD OF COUNTY COMMISSIONERS OF WAYNE COUNTY, OHIO –
WOOSTER, OH

Synopsis: Authorization to grant various easements is proposed.

WHEREAS the following companies have requested easements for the residences at Lane Avenue and Kenny Road:

Columbus Southern Power Company has requested a 10 foot wide by approximately 497 foot long easement area to run electric power lines into and through the project, for a term of 25 years;

AT&T Ohio has requested a 10 foot wide by approximately 497 foot long easement area to run telephone lines into and through the project, for a term of 25 years;

Time Warner Telecom of Ohio, LLC has requested a 10 foot wide by approximately 497 foot long easement area to run cable television lines into and through the project, for a term of 25 years; and

WHEREAS the following company has requested an easement for the commercial shopping center Lennox Station at 1570 Olentangy River Road, Columbus, Ohio:

Lennox Retail LLC has requested a 4,878.72 square feet, or 0.112 acre easement, for a term of 25 years, beginning July 15, 2007, for use in the parking lot supporting.

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The easement area requested is not adjacent to the Columbus Campus and is located west of State Route 315 and north of the Intersection of Olentangy River Road and King Avenue and the property is surplus to the University with no established University use in the University Master Plan.

Lennox Retail LLC needs the 0.112 acre parcel for use in the parking lot of its commercial development and will pay consideration in the amount of \$106,722 for the easement; and

WHEREAS Embarq Corporation has requested a 15 foot wide by 3,061.3 foot long easement area on the west side of Reservoir Rd. and the south side of Thayer Rd., for a term of 25 years; and

WHEREAS the following companies have requested easements for the Ohio Agricultural Research and Development Center:

American Electric Power Company has requested an easement 30 foot wide by 825 foot along Oil City Road and connecting to the Krauss Dairy Center, for a term of 25 years;

Wayne County Commissioners have requested an easement on 0.005 acres along Prairie Lane Road, for a term, beginning upon execution of the easement and continuing until completion of all required improvements, approximately 6 months after first entry on the property; and

WHEREAS these easements will serve and benefit the development projects and the appropriate University offices have determined that the grant of these easements are in the best interest of the University:

NOW THEREFORE

BE IT RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to approve and the Ohio Department of Administrative Services be authorized to process appropriate documents and grant the above easements upon such terms and conditions as are in the best interest of the University.

Upon motion of Mr. Brass, seconded by Ms. Hendricks, the Board of Trustees adopted the foregoing resolution with thirteen affirmative votes cast by Trustees Cloyd, Hendricks, McFerson, Ong, Borror, Wexner, O'Dell, Shumate, Fisher, Schottenstein, Brass, Shackelford, and Marbley, and one abstention cast by Trustee Hicks.

(See Appendix LXIV for maps, page 1319.)

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HONORARY DEGREES

Resolution No. 2007-157

Synopsis: The awarding of honorary degrees is recommended for approval.

WHEREAS the Committee on Honorary Degrees and the University Senate, pursuant to rule 3335-5-488 of the Administrative Code, have approved for recommendation to the Board of Trustees awarding of an honorary degree as listed below:

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Karen A. Holbrook

Doctor of Education

and

WHEREAS pursuant to paragraph (B)(4) of rule 3335-1-03 of the Administrative Code, the President, after consultation with the Steering Committee of the University Senate, recommended to the Board of Trustees awarding of an honorary degree as listed below:

William J. Clinton

Doctor of Public Service

NOW THEREFORE

BE IT RESOLVED, That the above honorary degrees be awarded in accordance with the recommendation at a time convenient to the University and the recipients.

Upon motion of Mr. McFerson, seconded by Mr. Shumate, the Board of Trustees adopted the foregoing resolution by unanimous voice vote.

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DISTINGUISHED UNIVERSITY PROFESSORS PRESENTATION

Provost Barbara R. Snyder:

For the Board's approval, I have the great pleasure of recommending the designation of the title *Distinguished University Professor* for two of Ohio State's finest scholars. This honorific, permanent title is the University's highest honor for a senior faculty member and, since its inception in 1987, has been awarded to only 36 faculty members, including today's recipients. The selection process includes nominations by Ohio State faculty colleagues, with a screening process by the dean of the nominee's college, with support letters from scholars in the global community, and final recommendations by our own distinguished faculty.

This year's selection committee members were: Kevin R. Cox, Distinguished University Professor, from the Department of Geography, and he was the convener; Clara Bloomfield, Distinguished University Professor, in the Division of Hematology and Oncology, Department of Internal Medicine; Richard Dick, the Ohio Eminent Scholar in Soil Ecology, from the School of Environment and Natural Resources; Hamish L. Fraser, the Ohio Eminent Scholar in High Temperature Structural Materials, from the Department of Materials Science and Engineering; and Karin Musier-Forsyth, the Ohio Eminent Scholar in Macromolecular Structure, from the Department of Chemistry.

The Office of Academic Affairs provides an annual award of \$10,000 for three years to each of the Distinguished University Professors, and they automatically become members of the President's and Provost's Advisory Committee, which we call the PPAC. Both Karen and I have enjoyed meeting with this group and receiving wise and valued counsel from the distinguished scholars who attend those meetings.

I'm going to tell you a little bit about each of our honorees, and then we'll see a short video. I would ask the Chairman of the Board and President Holbrook to join the honorees and their colleagues for pictures while I introduce them.

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Professor Avner Friedman, Distinguished Professor of Mathematical and Physical Sciences, is joined by Dean Rick Freeman, from the College of Mathematical and Physical Sciences, Professor David Goss, chairperson of the Department of Mathematics, and Associate Executive Dean Edward Adelson from the Colleges of the Arts and Sciences. Professor Friedman is the director of the Mathematical Biosciences Institute here at Ohio State.

One of his nominators wrote that "he has taken a leading role in identifying new mathematical challenges arising from problems in biosciences." A portion of his work includes research on tumor growth and other issues related to cancer and immunology. As a scholar from the University of Auckland in New Zealand wrote, "[a]lmost single-handedly Avner came up with the idea [of the Mathematical Biosciences Institute], put a group together to help with various aspects of the proposal, negotiated with OSU and [the National Science Foundation], and was successful at forming the most significant institute in mathematical biosciences in the world."

Professor Friedman is a member of the National Academy of Sciences, a distinction held by only nine Ohio State faculty members; as well as the American Academy of Arts and Sciences, an honor held by ten faculty and one Trustee, Mr. Wexner. Professor Friedman was also awarded the prestigious Sloan and Guggenheim Fellowships and has written more than 400 research articles and 20 books.

I would next like to introduce Professor Geoffrey Parker, the Andreas Dorpalen Designated Professor in European History, who is joined today by Dean John Roberts, from the College of Humanities, Professor Peter Hahn, chairperson of the Department of History, and Associate Executive Dean Edward Adelson from the Colleges of the Arts and Sciences.

As his nominator wrote, "[Professor] Parker boasts a record of publications second to none -- 33 books, 11 review articles, 88 other articles and book chapters, and over 170 book reviews in three distinct fields: European History, Military History, and World History." One nominator wrote that he "is unquestionably one of the outstanding historians of his generation." And another wrote, "Professor Parker is one of the greatest and most productive historians of our age, and simply towers over all his contemporaries in the field of early-modern European and world history." And yet another wrote that he is "the best historian of Spain alive today."

He is also considered "a stellar teacher." Last year, he won the University's highest honor for teaching excellence, the Alumni Award for Distinguished Teaching. He has also received two knighthoods from the Spanish government -- one from the King of Spain and the other from the Spanish Prime Minister. It is an interesting thing that is probably not true of any other faculty member at The Ohio State University.

[Video presentation]

Provost Snyder:

Thank you, Dr. Cloyd and Dr. Holbrook, for presenting the medallions and plaques. I will start with Dean Rick Freeman and ask him to say a few words about Avner Friedman.

Dean Richard R. Freeman:

Thank you, Provost Snyder. Ladies and gentlemen of the Board, it is always a pleasure to be in front of you for reasons that are as important to

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Ohio State University and to the College of Mathematics and Physical Sciences as this is. As you have seen, Avner Friedman is rather remarkable. Former chairperson and now NSF director, Peter March, was on the video and summed it up very nicely -- Avner is a man who is "one in a million."

One of our big difficulties has grown out of Avner's success. Avner not only started MBI here and won the only Math and Biological Institute funded by the National Science Foundation anywhere in the country, he was successful this last year in beating a remarkable come from behind renewal of the Math and Biological Institute. It has been renewed for three years. The National Science Foundation started out by telling us that they were considering doing away with these institutes, but because of Avner's leadership and ability to get out in front and gather the necessary people and support, we now have it again for three years.

The problem that he has presented to us is that the National Science Foundation -- in looking at Avner and not realizing that years on one's resume mean nothing when you have the energy of Avner Friedman -- has told us that they want us to work over the next three years and find someone to be able to take Avner's place as director at the end of the three years, at which point we will be considered for a five-year renewal. I emphasize that this is so unique -- and President Holbrook has spoken to this many times -- that this is an institute which carries with it so much prestige and is so much now associated with Ohio State that we really can't afford to lose it. I am presented with an interesting problem. The problem is that I am chairman of the search committee to find a replacement for Avner. With Avner's help, we have identified international scientists to be on this search committee and each of them has told me this will be an impossible job. So we are faced with both the good and the bad. Avner has brought this wonderful institute to us, he has made it successful and has led a renewal, which is an outstanding accomplishment for Ohio State. It exists because of Avner and now we have to find his replacement.

Professor Avner Friedman:

I would like to thank the Board of Trustees, the President, and the Provost for this honor. I would like to thank my dean, my immediate boss, for all his nice comments. I'd like to take this opportunity to tell you about myself and since some people have already told you a little about me, I will speak more about my vision as a mathematician.

Some people like to divide mathematics into pure and applied. This is not uncommon with other disciplines, as well: Theoretical Physics and Applied Physics, and Theoretical Computer Sciences and Applied Computer Sciences. I believe that setting up such fences within a discipline or even among disciplines is not very healthy. My wife, who is here today, received her Ph.D. degree in Mathematics Education from the University of Chicago, once showed me a quote from the University of Chicago educator John Dewey. I never had a chance to meet him, because he belongs to several generations ago, but in 1900 in a book about Chicago society he had a very interesting quote:

"We do not have a series of stratified earths, one which is mathematical, another physical, another historical, etc. We should not be able to live long in any one taken by itself. We live in a world where all sides are bound together. All studies grow out of relations in the one great common world."

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I began my career in what one may call “pure mathematics,” but over the years I became interested in applications of mathematics in science and technology. When I took the position as director of the Institute of Mathematics and its Application at the University of Minnesota, I then started to initiate interdisciplinary programs in mathematics and material sciences, mathematical imaging, multimedia, mathematical geophysics, and so on, and initiated research with industry. We had post-doctoral students who worked with industry and they were mathematicians.

During those years it gradually became clear to me that biology was the future frontier of mathematics. For example, if you look at physics and look at one drop of water, you understand water in a glass or in the ocean – water is water no matter where it is – but it is not the same in biology. One error in 3 billion nucleic acids may have detrimental effects on the life of a person. This shows you that biology is a concern of what happens at the molecular level than the individual molecules. There is so much data that has been accumulated at the molecular level by biologists that there is a need to gain knowledge out of all of this data. This is where mathematics and statistics are coming in, by trying to model this experiment based on data that can allow progress in the biological sciences.

When NSF called for new proposals for mathematical institutes in 2000, it was immediately clear to me that there was a need to propose such an institute devoted to the biosciences, so I contacted OSU. Why OSU? The Mathematics Department had just won a “strategic investment award” in an internal OSU competition -- very much like Provost Snyder did with the TIE money, but on a smaller scale. The person that was instrumental in this was Peter March, whom you saw on the video. This was already something that provided some new positions in mathematical biology and computational mathematics, both important ingredients. The Math and Statistics Departments had several people already in this interdisciplinary field and the University administration was very supportive. All of these ingredients made OSU a place to come to. When I came here, I was surprised to find that the Medical School was embarking on a very ambitious path to bring excellent, first-rate people from the east coast, Harvard Medical School, Philadelphia, and Thomas Jefferson to OSU to work with them.

The Mathematical Biosciences Institute (MBI) has 600 – 700 visitors a year, runs annual programs on themes – this year's is System Physiology, next year it is Bioengineering, and then Developmental Biology. We have 15 post-docs who work with mentors from mathematics/statistics and the biosciences. We have now started a curriculum development in mathematical biology for both undergraduate and graduate students. And this is only the beginning!

We have a workshop that started this morning, so this is my second speech today. My first speech was welcoming the attendees to the workshop -- “Over the Fence: Mathematicians and Biologists Talk About Bridging the Curricular Divide.” It is a very exciting topic and very exciting for colleges and university professors to become teams -- for math and biologists to talk about their experiences.

Again, I would like to thank you for this honor which I view as a vote of confidence in our mission. Thank you.

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Provost Snyder:

Thank you, Professor Friedman. Now let me turn to Professor Parker and first to his dean, John Roberts, to say a few words about him and then we will hear from Professor Parker himself.

Dean John W. Roberts:

Thank you and good morning. I am very pleased to have this opportunity to say a few words about Geoffrey Parker. While I can only imagine the personal satisfaction that being named Distinguished University Professor brings to Geoffrey and his family, I can say that his colleagues in the College of Humanities view this recognition as a source of pride for all of us. We believe strongly that it is a fitting way to recognize the accomplishments of one of our most talented scholars and teachers for achievements that will astound and impress. Of all the adjectives that one could use to describe Geoffrey Parker's career, none seems more appropriate than "distinguished." He is at the height of an illustrious career that shows no signs of abating.

He came to Ohio State after having established himself as a major scholar in his field at some of the finest institutions of higher learning in the world, including Cambridge and Yale Universities. After such an auspicious beginning of his career, we can only consider ourselves fortunate that he chose to join our Department of History where his presence has only served to enhance the excellence associated with historical study at Ohio State.

As one of his peer recommender's notes, "Geoffrey is a distinguished scholar who is generally considered to be one of the very top historians of his generation and one of a select group which has completely transformed the field of early modern European Studies." He has deservedly earned this distinction through the sheer volume and consistently high quality of his scholarly publications, which have in turn established him as one of the world's leading authorities in the broad field of European history. In addition, due to the breadth of his work, Geoffrey's equally well-known to historians who work in other historical fields on both sides of the Atlantic, especially those in the areas of military history, political history, history of religion, world history, and now environmental history.

I would conclude by saying that, to his colleagues in the college and his department, Geoffrey's greatest claim to the title of Distinguished Professor is the fact that he is a wonderful colleague who consistently demonstrates an incredible willingness to contribute to this community and its students. Whether he is teaching the introductory sequence in Western Civilization or a graduate seminar, serving on a departmental search committee or University task force, or advising an undergraduate honors thesis or one of his many doctoral dissertation students, Geoffrey approaches these tasks with enthusiasm, a sense of purpose, and a commitment to excellence that characterizes a Distinguished University Professor.

On behalf of myself and all of his colleagues in the College of Humanities, I want to express our sincere appreciation to the Board of Trustees for recognizing the many contributions of Geoffrey Parker to his students, his profession, and The Ohio State University. Thank you.

Professor N. Geoffrey Parker:

Let me begin by thanking Dean Roberts, Birgitte Søland, who hired me, David Cressy, my friend for thirty years who wrote the nomination, and Kate

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Epstein, who realized as I did that the only way to succeed in academic life is to go from Yale to OSU. I would like to thank all of them for that inspiring, but, obviously, unrealistic praise. My parents died 20 years ago and I still miss them every day, but especially today. If they heard all of those kind words, my father would have been proud and my mother would have believed them. President Holbrook, you probably have heard that line so many times since we first met when Dick Sisson and I came to ask your support for a series of eight lectures here at OSU to commemorate Ohio's Bicentennial in 2003. You graciously agreed, and so the lecturers came, two of them introduced by you. All eight talks and your introductions can still be seen and heard on the Bicentennial website.

One month ago, on May Day, you and Provost Snyder arrived in the middle of one of our History Department meetings and announced that you wanted to see me again today. It was a moment of pleasure and surprise that I shall never forget. But of course, it did not surprise everyone in the room. Chris Burton and Gail Summerhill knew, because they know everything. Our department simply could not function without them and the rest of our wonderful administrative staff who I would like to recognize now: Joby Abernathy, Jim Bach, Steve Fink, Maria Mazon, Jan Thompson, and Rich Ugland. I wanted them all to be here, but how could we have dealt otherwise if they had all been here with our 60 brilliant, but sometimes fragile faculty, our 200 inspired, but occasionally insecure graduate students, and our 17,000 dedicated, but – what was your word Amb. Ong -- hyperactive undergraduates. Of course you knew and Jackie knew, because they saw the letter of nomination drafted by David Cressy and signed by my chair, Peter Hahn – so they all knew. Perhaps some of my other colleagues and friends here knew: Rick Herrmann, my boss at Mershon; Elizabeth and Steve my fellow Espanistous; Alice, Birgitte, Cynthia, Martha, and Joe Lynch from History; my fellow military historians Mark Grimsley, Jenni Siegel, and Dr. G. -- as Joe Guilmartin is known to all our grad students, usually with affection; and my History graduate students whom we are all so very proud, maybe they knew. They are here, of course, for Ohio's legendary dessert – Crème Brule. But me? I didn't know, because I spend most of my time living in the 17th century, as Dean Roberts said.

Is ignorance always such a disadvantage? Ignorance may not always be bliss, but it can be fruitful. This paradox was very well expressed by the Polish poet and Nobel laureate Wislawa Szymborska: "Whatever inspiration is, it's born from a continuous 'I don't know'." She continued:

"If Isaac Newton had never said to himself, 'I don't know,' the apples in his little orchard might have dropped to the ground like hailstones; and at best he would have stooped to pick them up and gobble them with gusto..."

Please note, I was born exactly three centuries after Isaac Newton, on the same day of the year, Christmas Day, and in a town only a few miles from his little orchard. I attended the same university as he did, but alas in Nottingham we pick up the apples and we eat them and we don't think anything more.

To move back to Wislawa Szymborska, she said:

"[Had] Marie Curie never said to herself 'I don't know,' she probably would have ended up teaching chemistry at some private high school for young ladies from good families... But she kept on saying 'I don't know,' and these words led her not once but twice to [a Nobel Prize]."

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Now at least in this historians are just like poets, mathematicians and research chemists -- we, too, struggle to create something that will have a life of its own, independent of us. That creation will involve what we know as well as what we don't know, what we infer as well as what we discover. But creation, members of the Board of Trustees, is impatient.

Another distinguished Polish scholar, Czesław Miłosz, wrote a poem entitled *Preparation*:

"Still one more year of preparation!
Tomorrow at the latest I'll start working on a great book
In which my century will appear as it really was,
The sun will rise over the righteous and the wicked...

And that will be the subject, with addenda. Thus: armies
Running across frozen plains, shouting a curse
In a many voiced chorus; the barrel of a tank
Growing immense at the corner of a street; the ride at dusk
Into a camp with watchtowers and barbed wire.

No, I won't write it tomorrow. Maybe in five or ten years...
I haven't learned yet to speak as I should, calmly.
With not-quite truth...
[About] the not-quite guiltless
And the not-quite degraded."

But we don't have "five or ten years" to start the process of creation; even "tomorrow" may be too late, for tomorrow some of the things we don't know may become unknowable or we, the would-be creators, may be taken away on our own "ride at dusk." Our time to create, our time to achieve, is limited -- whether we are poets, mathematicians, research chemists, or historians. This is why I am so grateful to all of you senior officers and Trustees of this great University, gathered here today, for spending so much of your time preparing for our future. You are preparing OSU for what it can be in five or ten years from now. You are establishing the long-range goals and developing the strategies to reach them -- an enormous enterprise! I sometimes feel that you don't receive enough recognition from faculty for your vision, your time, and your commitment. And so, on behalf of my colleagues and myself, I would like thank you for all that you do to make it possible for us to advance our scholarship while we teach our students.

I'm excited right now at the prospect of joining the President's and Provost's Advisory Committee -- PPAC I have now learned. It will be a privilege to join you in seeking to identify what we "don't know" and in finding the best answers so that OSU can continue to excel. This involves not only pursuing new challenges and achievements, but also consolidating the goals already attained; or, as my colleagues in military history say, "we need to bite and hold."

Thus we already have Ohio's finest undergraduates, but how can we improve our teaching so that they will both learn more and earn more? We already have brilliant graduate students, but how can we make their lives more secure as they study? And we already have world-class faculty, how can we best retain them? Above all, now that we are on track to achieve the 20/10 goals set out so brilliantly in the Academic Plan, what about 30/15? What about 40/20?

I don't know how we will get there, but I will try and find out by working alongside my new colleagues on the PPAC and I shall also work alongside

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them on that quest tomorrow as well as in “one more year,” and in “five or ten years.” Because as you have shown President Holbrook, Provost Snyder, and members of the Board of Trustees, “preparation” is the key. Joining with you in the pursuit of the goals you have defined is my personal Academic Plan here at The Ohio State University.

Thank you, again, for conferring on me this single honor today.

Dr. Cloyd:

Professor Friedman and Professor Parker, congratulations and thank you for those wonderful comments. Would any of the other Board members have any questions or comments? Again, congratulations, this is an honor, but an honor that is certainly very well deserved as has been reflected by your deans, the video, and the students, and we are very fortunate to have academicians like you here at The Ohio State University.

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Dr. Cloyd:

As we move to the close of this meeting President Holbrook, this is the last time we are going to have the benefit as a Board of Trustees sitting around the same table with you. You talked in your opening comments about how the University has been well served over the last five years by our Academic Plan and that is very true. But an institution of this size and complexity only moves forward through great leadership and we have certainly been very blessed with that in your tenure. In fact, last week Professor Frantz and I were looking at measures of academic and research progress, and everything is heading to the north east when we look at Ohio State in your tenure. That is wonderful. It is wonderful for all of the people who leave here, and certainly for the legacy that you leave to this institution.

People could probably talk for a long time about what kind of leadership qualities are required for leading an institution of this size, the complexity of a land-grant institution, and the academic, research, and service orientation. It does require someone that is tireless, dedicated, and someone that has great curiosity and a passion for science, knowledge, and for all of the people around them – and you have all of that. But one of the things that I think that you have that is very, very special is the heart and the passion for students, faculty, teaching, and helping people better prepare themselves for their lives as they go forward.

Most of us are going to have an opportunity to group with you again at commencement and celebrate your well earned and well deserved honorary Doctorate of Education degree. As we get ready to close this meeting, I wanted all of the Board to thank you for your tireless leadership and for all you have done for this great University. Thank you.

President Holbrook:

Thank you.

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Dr. Cloyd:

In a moment I am going to take a roll call vote to go into Executive Session and that vote will conclude all formal Board action for this day.

May 31 and June 1, 2007 meeting, Board of Trustees

I hereby move that the Board recess into Executive Session for the purposes of considering personnel matters regarding employment and compensation, to consult with legal counsel regarding pending or imminent litigation, and to discuss matters required to be kept confidential by State Statute. May I have a second?

Upon motion of Dr. Cloyd, seconded by Mr. McFerson, the Board adopted the foregoing motion by unanimous roll call vote, cast by Trustees Cloyd, Hendricks, McFerson, Ong, Wexner, O'Dell, Shumate, Hicks, Fisher, Schottenstein, Brass, Shackelford, and Marbley.

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Thereupon the Board adjourned to meet Friday, July 13, 2007, at The Ohio State University, Longaberger Alumni House, Columbus, Ohio.

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Attest:

G. Gilbert Cloyd
Chairman

David O. Frantz
Secretary

The Ohio State University Board of Trustees
June 1, 2007

TOPIC:

Medical Center Master Facilities Plan

CONTEXT:

This is a summary of the preliminary reports from the consultants' reviews of the Medical Center Master Facilities Plan and the May 16 discussion of the Medical Center Master Facilities Plan Task Force.

SUMMARY:

Attached are three documents:

1. A cover memo to Dr. Holbrook summarizing the outcome of the May 16 meeting of the Task Force.
2. A summary of the preliminary report from Deloitte.
3. A summary of the preliminary report from Hammes.

CONSIDERATIONS:

- How should the full Board be engaged?
- What additional information is desired?
- What happens next?

REQUESTED OF THE BOARD OF TRUSTEES:

For discussion and advice. No vote required.



Subject: Medical Center Master Facilities Plan Review

Date: May 23, 2007

From: William Shkurti ^{WTS}

To: Karen Holbrook

The purpose of this memo is to update you on the May 16 meeting of the Medical Center Master Facilities Plan Task Force. The Task Force heard updates from both Deloitte and Hammes, summaries of which are attached.

After extensive discussion, the Task Force agreed on the following:

1. This is the largest resource decision (time, people, money) in the University's history; therefore, it needs to be approached thoughtfully with accurate, complete and timely information.
2. The consultants will prepare a comprehensive timeline and decision tree in order to help map out a methodology for moving the Medical Center Master Facilities Plan forward. This plan will help insure that all interrelated decisions and processes are integrated. This includes aligning the governance and program review with the Master Facilities Plan consultants' reviews.
3. A session needs to be scheduled to brief the entire Board of Trustees on the issues described above. I have discussed this with the Board Office and the session will be conducted at the June 1 Board of Trustees meeting.

If you would like any additional information, please feel free to contact me.

Attachments

c: Gil Cloyd
Chris Culley
David Frantz
Fred Sanfilippo

30-Day Status Report

The Ohio State University

May 11, 2007



Deloitte

Project Status

Data Provided:

- Read approximately 95% of all provided documentation

Interviews Conducted:

- Interviews have been conducted with many Senior Medical Center Leaders, four of the Health System Leaders, the six Signature Program Physician Leaders and six of the University Senior Administration Leaders

Strategy / Data / Assumption Testing:

- Assumptions for growth in primary, secondary and tertiary markets are being compared to historical performance as an indicator of future performance and to other comparable organizations
- Additional testing on assumptions for growth related to the signature programs is underway
- In the process of reading and commenting on assumptions for payor rate increases, payor mix, expenses and capital structure
- Reviewing characteristics of top AMCs and CCCs for strategic context
- Tracking the linkage between the six signature plans and the Master Facility Plan (MFP)

A significant amount of work has been completed on areas within the RFP

Five major areas of risk were identified and serve as the focus for reading and commenting on the strategic plan

Risk Areas

Preliminary Observations

☑ Strategic and Organizational

☑ Market and Competitive

☑ Financial risk

☑ Service and Quality

☑ Execution

- While there was significant inclusion in the Medical Center strategic planning process and agreement on many of the elements in the plan, **consensus** among the major stakeholders on the Master Facility Plan (MFP) can be strengthened through further refinement of the plan. Time should be spent on refining the plan and building consensus in order to proceed effectively.
- Volume **growth** and payor mix are being evaluated in light of **competition**, level of market penetration and other factors that may affect the plan. Past performance by the Medical Center is another important consideration.
- Increases in **reimbursement** rates and the **cost and capital structures** are being compared to comparable organizations and the Medical Center's historical performance to determine the financial impact on the organization's ability to meet its financial targets.
- The impact to **service** and **quality** posed by the MFP components for Cancer and Neurosciences is being studied further. Comparisons to "best practice" AMCs and CCCs are underway.
- A well planned and structured approach to **implement** the MFP is a key element for success. At this time, it is more important to improve consensus among the major stakeholders on the overall plan in order to successfully execute the strategy.

Deloitte





Presentation to:

The Ohio State University Medical
Center Facilities Task Force

Preliminary Report
Facility Plan Review

May 11, 2007

The Hammes Company

Project Status

- Areas of Responsibility
 - Medical Center Master Facilities Plan
 - Financial Relationship Between the James and All Other Components of the OSUMC
- Documents Reviews
- Interviews
 - 18 individual interviews with senior leadership in the OSUMC
 - Three sets of group interviews with architects, engineers and FOD personnel
 - Additional interviews planned during the next phase

Initial Areas of Focus

- Site and Facility solution
- Proposed Schedule
- Projected Cost
- Pros and Cons of Consolidating Cancer Program in Phase I
- Funds Flow
- Impact of James PPS Exemption and CCC Designation.

Areas of Further Analysis

- Additional interviews with leadership, including physician leaders of six signature programs
- Further review/analysis of space program, throughput and bed need calculations to ensure future facility needs reasonable
- Integration with Deloitte Consulting review of strategic plan and the degree to which the MFP conforms to the strategic plan
- Analysis regarding implementation risks associated with the project
- Identification of phasing issues and alternatives
- Additional analysis regarding value of PPS exemption and CCC status, and the impact of the loss of one or both
- Greater understanding of the expense allocations and the Medicare Cost Reports utilized in determining James' cost reimbursements from CMS
- Determination of relative benefit received by the James and other portions of the Health System from the mutual relationship

SUPPLEMENTAL MANAGER LISTING

	Market Value as of 4/30/07	Changes	Revised Allocation	% Allocation	Target Allocation
<u>Domestic Large Cap Equity</u>					
Fifth Third	46,690,946		46,690,946		
Huntington Value	45,001,159		45,001,159		
University Students	25,105,929		25,105,929		
State Street S&P 500 Index	213,841,409	(95,000,000)	118,841,409		
	330,639,443	(95,000,000)	235,639,443	10%	10%
<u>Domestic Mid Cap Equity</u>					
Meeder 100	104,586,473	(15,000,000)	89,586,473		
Meeder Enhanced	46,858,382	(5,000,000)	41,858,382		
Nicholas Applegate	65,309,103		65,309,103		
State Street Extended Index	100,053,000	(60,000,000)	40,053,000		
	316,806,958	(80,000,000)	236,806,958	10%	10%
<u>Domestic Small Cap Equity</u>					
Bernzott Capital Advisors	31,401,937		31,401,937		
Diamond Hill	10,924,078		10,924,078		
G.W. Capital, Inc.	14,232,322		14,232,322		
Hoover Investment Management	33,161,398		33,161,398		
Independence Investments	32,276,755		32,276,755		
Nicholas Applegate	91,110,185	(25,000,000)	66,110,185		
Opus Capital Management	31,885,642		31,885,642		
State Street Value Index	49,278,997	(49,278,997)	0		
State Street Russell 2000 Index	81,416,381	(70,000,000)	11,416,381		
	375,687,695	(144,278,997)	231,408,698	10%	10%
<u>International Equity</u>					
BlackRock	62,739,109		62,739,109		
LSV Asset Management	59,959,128		59,959,128		
Newgate Capital Management	35,954,110		35,954,110		
Voyageur	61,158,805		61,158,805		
State Street International Alpha	251,478,177		251,478,177		
State Street International Alpha Select	0	110,000,000	110,000,000		
	471,289,329	110,000,000	581,289,329	25%	25%
<u>Domestic Fixed Income</u>					
Cypress Asset Management	45,257,029		45,257,029		
Hughes Capital Management	41,295,295		41,295,295		
Huntington Trust	43,082,588		43,082,588		
JPMorgan	22,123,713		22,123,713		
State Street Aggregate Index	0	10,000,000	10,000,000		
State Street Govt/Credit Index	76,244,414	(76,244,414)	0		
	228,003,039	(66,244,414)	161,758,625	7%	7%
<u>High Yield Fixed Income</u>					
Commonfund High Yield	27,014,943	(20,000,000)	7,014,943		
Delaware Investments	33,184,010		33,184,010		
Lehman Brothers	33,157,924		33,157,924		
	93,356,877	(20,000,000)	73,356,877	3%	3%
<u>International Fixed Income</u>					
Brandywine Asset Management	21,029,575		21,029,575		
JPMorgan Asset Management	22,773,550		22,773,550		
State Street World Govt Ex-US Index	21,347,725	5,000,000	26,347,725		
	65,150,850	5,000,000	70,150,850	3%	3%

SUPPLEMENTAL MANAGER LISTING, continued

		Commitment as of 4/30/07	Commitment as of 6/1/07	Market Value as of 4/30/07	% Allocation	Target Allocation
<u>Venture Capital/Private Equity</u>						
1999 Funds:						
Commonfund Capital Partners 1999	(V/PE)	7,067,000	7,067,000	4,083,400		
Commonfund New Leaders	(V/PE)	10,000,000	10,000,000	5,232,332		
Mesirow Partnership Fund I	(V/PE)	10,000,000	10,000,000	5,137,040		
2000 Funds:						
CID Seed Fund	(V)	1,000,000	1,000,000	445,062		
EDF Ventures Seed Fund	(V)	1,000,000	1,000,000	376,657		
2001 Funds:						
Reservoir Venture Partners Fund I	(V)	3,192,000	3,192,000	1,660,148		
2005 Funds:						
Commonfund International Partners V	(V/PE)	10,000,000	10,000,000	2,399,867		
Commonfund Private Equity Partners VI	(PE)	10,000,000	10,000,000	2,071,233		
Commonfund Venture Partners VII	(V)	5,000,000	5,000,000	640,520		
Fort Washington Private Equity IV	(V/PE)	5,000,000	5,000,000	2,961,845		
Mesirow Capital Partners IX	(V/PE)	5,000,000	5,000,000	1,499,553		
Mesirow Partnership Fund III	(V/PE)	5,000,000	5,000,000	855,127		
2006 Funds:						
Coller International Partners V, LP	(V/PE)	10,000,000	10,000,000	430,278		
Hellman & Friedman Capital Pts. VI	(PE)	10,000,000	10,000,000	-		
Jordan Resolute Fund II	(PE)	10,000,000	10,000,000	950,284		
M/C Venture Partners VI	(V)	5,000,000	5,000,000	328,430		
Onex Partners II	(PE)	5,000,000	5,000,000	2,047,880		
Providence VI	(PE)	10,000,000	10,000,000	991,801		
Reservoir Venture Partners Fund II	(V)	3,000,000	3,000,000	316,939		
Stonehenge Opportunity Fund II	(PE)	5,000,000	5,000,000	1,463,862		
2007 Funds:						
Oaktree Principal Opportunities IV	(PE)	10,000,000	10,000,000	1,985,337		
Ohio Tech Angels	(V)	500,000	500,000	-		
Sun Capital Partners V	(PE)	15,000,000	15,000,000	-		
JMI Equity Fund VI	(V)	0	10,000,000	-	new	
Kelso VIII	(PE)	0	10,000,000	-	new	
Subtotal without placeholder		155,759,000	175,759,000	35,877,595	2%	7%
Placeholder-State Street Global Index		0	125,000,000	125,000,000		
Total with placeholder				160,877,595	7%	7%
<u>Natural Resources</u>						
Commonfund Natural Resources VII		5,000,000	5,000,000	145,000		
Goldman Sachs Energy Fund		10,000,000	10,000,000	-		
Quantum Energy Partners IV, LP		10,000,000	10,000,000	723,860		
Subtotal without placeholder		25,000,000	25,000,000	868,860	0%	3%
Placeholder-State Street Global Index		0	70,000,000	70,000,000		
Total with placeholder				70,868,860	3%	3%
<u>Real Estate-Partnership Funds</u>						
BPG Properties		15,000,000	15,000,000	0		
Carlyle Realty Partners V		10,000,000	10,000,000	101,943		
Praedium Fund VII		10,000,000	10,000,000	0		
		111,148,468	156,148,468	101,943		

SUPPLEMENTAL MANAGER LISTING, continued

	Market Value as of 4/30/07	Changes	Revised Allocation		
<u>Real Estate-Other</u>					
Campus Partners	20,000,000	0	20,000,000		
Don Scott Airport	23,389,000	0	23,389,000		
Miscellaneous	13,698,000	0	13,698,000		
State Street Wilshire REIT Index	91,148,468	33,000,000	124,148,468		
	<u>148,235,468</u>	<u>33,000,000</u>	<u>181,235,468</u>		
Total Real Estate			181,337,411	8%	8%
<u>Absolute Return Funds</u>					
Angelo Gordon (in placeholder until funded)	0	30,000,000	30,000,000		
Commonfund Hedged Investors	73,238,461	(40,000,000)	33,238,461		
Davidson Kempner	25,414,861		25,414,861		
Farallon	31,575,097		31,575,097		
GMO	15,487,492		15,487,492		
Golden Tree	20,764,120		20,764,120		
King Street	25,457,500		25,457,500		
Och Ziff	0	30,000,000	30,000,000	new	
Ramius Fund	41,493,400		41,493,400		
Sirios	0	15,000,000	15,000,000	new	
Wellington	25,950,928		25,950,928		
York	26,380,582		26,380,582		
	<u>285,762,441</u>	<u>35,000,000</u>	<u>320,762,441</u>	14%	14%

Hedge Fund Investment Opportunity- Executive Summary

Firm:	Sirios Capital Management	Fund Name:	Sirios Capital Partners
Category:	Equity Long/Short	Fund Assets:	\$2.4 billion
Lock-Up Period:	Various	Due Diligence:	Cliffwater/Staff

Organization & People: Sirios Capital Management (Sirios) was founded in 1999 by John Brennan and Christian Felipe. In June 2002, Mr. Felipe retired from the firm for personal reasons. John Brennan owns 100% of the firm. Sirios is based in Boston and has approximately \$2.7 billion in assets under management. The Sirios Capital Partners Long/Short product (SCP) is the firm's flagship fund and is currently offered through onshore and offshore vehicles. The flagship fund was started in 1999. In addition to SCP, Sirios manages a European long/short fund and two concentrated long-only funds.

Sirios has 24 employees, including fourteen investment professionals and ten individuals dedicated to operations, legal and investor relations. John Brennan owns the firm and acts as the lead portfolio manager. Investment decisions are made by Mr. Brennan. Primary support is provided by nine analysts who cover specific sectors. A small portion of fund assets are 'carved-out' and managed directly by the sector leads. The carve-out assets represent approximately 15% of total firm assets. Shares of the incentive fee and bonuses are awarded to individuals primarily based on the impact of their idea generation and investment decision making abilities.

Investment Strategy & Process: SCP's focus is on generating strong absolute performance while producing a relatively low level of volatility through all investment cycles. SCP follows a fundamental, research-driven process to selecting stocks. On the long side, SCP will seek to purchase attractively-valued growth stocks of medium to large companies. When shorting stocks, SCP will look for companies with deteriorating fundamentals and balance sheets. SCP will focus primarily on investing in North America, but will also seek opportunities overseas.

Sirios utilizes a bottom-up, research-intensive investment process to identify opportunities on both the long and short portions of the portfolio. When considering potential investments, Sirios' sector analysts will perform an analysis of a company's financial statements, management team, competitive advantage and future growth plans. Additionally, Sirios interviews portfolio company management, their competitors and other industry experts. When evaluating a company's growth potential, Sirios focuses on new product development, capital spending programs, potential acquisitions, cost reduction and restructuring programs. Another important element of Sirios' analysis is determining whether or not a company's management team incentives are aligned with investors. Once a sector leader has drawn a conclusion on a potential investment, they review their analysis with the lead portfolio manager, Mr. Brennan. Mr. Brennan makes all final investment and allocation decisions.

Portfolio Construction and Diversification: Sirios constructs portfolios opportunistically, on a security by security basis. SCP will focus on making investments primarily in the consumer, energy, financials, healthcare and tech/telecom sectors. SCP will have a net long bias, with an average net exposure of 50%+. For example, at the end of December 2006, the fund's exposure was 110% long and 52% short for a net exposure of 58%. The long side of the portfolio will consist of 40-60 positions, with an average weighting of 1%-2%. If Sirios management has strong conviction in an investment, a long position can take up to a 10% position. The short side of the portfolio will contain 50-75 positions, with an average weighting of 0.5%-1%. Individual short positions are limited to 2% of the portfolio market value. The maximum exposure to a single sector is 35%. Options may be used, but on a limited basis as a hedging tool. SCP expects to invest approximately 0%-25% of the portfolio in international (non-US listed) securities.

Performance: Since its inception in July 1999 through March 2007, SCP has produced an annualized net return of 12.3% with standard deviation of 6.7%. During the same period, the HFRI Equity Hedge Index returned 10.1% with a standard deviation of 8.8%. During the same period, the return/risk ratio was 1.8 for SCP versus 1.2 for the index. SCP has produced excess returns with less volatility compared to its benchmark. Additionally, SCP has not had any negative performing calendar years since inception.

Hedge Fund Investment Opportunity- Executive Summary

Fees & Liquidity: SCP will charge a 1% annual management fee and 20% incentive fee. Administrative fees are expected to be less than 5 basis points. Redemptions from the fund can be made annually subject to a one year lock-up period. SCP will not utilize side pockets for any investments.

Conclusion: Sirios research-driven process has delivered consistently strong risk-adjusted performance since inception. SCP has limited volatility and remained disciplined in times when the market has experienced an increased level of price fluctuation. SCP will provide a good compliment to the existing long/short hedge fund investment, Archipelago. *Sirios Capital Partners is recommended for a \$15 million hedge fund investment.*

Private Equity Investment Opportunity- Executive Summary

Fund Name:	JMI Equity Fund VI	Date:	June, 2007
Target Fund Size:	\$500 Million	GP Commitment:	1%
Term of Fund:	10 Years	Investment Period:	Six Years
Strategy:	Venture Capital	Due Diligence:	Cliffwater/Staff

Organization & People: JMI Equity (JMI) was founded in 1992 by Charles Noell and Harry Gruner. The firm is based in Baltimore and operates out of an additional office in San Diego. JMI primarily focuses on investing in software and business services companies. JMI will diversify investments across various stages, from early-stage to multi-billion dollar enterprises. JMI has managed approximately \$660 million in assets, made 81 investments and produced realized returns on 31 companies through past funds. JMI is currently forming JMI Equity Fund VI.

JMI has twenty-two employees consisting of fifteen investment professionals and seven individuals dedicated to operations. JMI has six partners who have an average tenure of eleven years at the firm. Six of the fifteen investment professionals work in the San Diego office, giving JMI a strategic presence on the West coast. The remaining investment team and all of the operations personnel operate out of the headquarters in Baltimore.

Investment Strategy & Process: JMI VI will focus on making investments in the software and business services industries in various stages of the investment lifecycle. JMI seeks to invest in opportunities in which they can actively build growing and profitable companies in order to generate attractive capital gains. Investments will generally be structured as venture financing, recapitalizations and leveraged buyouts. JMI believes that its investment model is driven by its experienced investment team, research process, proactive deal generation, network of relationships and reputation in the industry.

JMI researches segments of the software and services industry in order to identify attractive investment opportunities. Potential investments must have defensible intellectual property, a strong management team and relatively low capital expenses. JMI utilizes a team-based due diligence process. The team varies in size depending on the complexity of the opportunity. Each team is responsible for leading the evaluation of a prospective investment. Each due diligence team conducts customer interviews and site-visits, competitive analysis, market review and technical evaluations. The due diligence team is also responsible for forming a detailed operating plan for the potential investment. JMI's partners challenge the assumptions of each investment thesis before reaching a final conclusion. Decisions on additional rounds of financing also require a due diligence process with a recommendation presented to the partners. All investment decisions require unanimous approval by the partners.

Portfolio Construction & Diversification: JMI VI is expected to make investments in approximately 20-30 software and business services companies in North America. JMI will seek to invest \$5-\$30 million in each investment, diversified across different stages of the investment cycle. Roughly 50%-60% of the fund will consist of expansion-stage and 20% early-stage investments. The remaining fund investments will consist of late-stage or leveraged-buyout (LBO) transactions. For LBO investments, JMI will partner with one or more private equity firms. More specifically, JMI has a strong historical relationship co-investing alongside Hellman & Friedman.

Performance: Since 1992, JMI has generated a net return of 42% on its investments. During the same period, the NASDAQ index returned 8.8%. JMI's historical performance includes initial funds (Funds I & II) that consisted of capital from one source. The remaining funds (Funds III, IV and V) include capital from a diversified group of institutional investors. On a relative basis, when compared individually to similar funds of the same vintage year, JMI's initial funds and Fund V rank in the first quartile, while Funds III and IV rank in the second quartile for performance. The databases used to compare the performance are Thomson Venture Economics and Cambridge Associates. Lastly, 19% of JMI's total investments have generated a loss for limited partners. This percentage translates into approximately 9% of the value that the firm has generated. JMI's loss ratio compares favorably to other venture capital firms with similar industry focus which indicates a lower level of risk versus their peers. Investing in venture capital does not come without risk and one should expect that some investments will lose money. JMI has delivered enough winners to offset the losses and produce strong returns.

Management Fees/Expenses: The management fee for JMI VI will be 2.0% of total fund commitments during the first five years. After year five, the fee will be reduced by 10% per year. JMI will receive 20% of the profits (carried interest) and limited partners will receive 80%. Organizational expenses will be charged at the fund level,

Private Equity Investment Opportunity- Executive Summary

but will be capped at \$750,000 for the life of the fund. The fees for JMI VI are consistent with the management fees of similar venture capital funds.

Conclusion: JMI has an experienced management team that has produced strong results over various environments. JMI's ability to invest across different stages of the investment lifecycle provides a diversified product and helps dampen the volatility of performance. JMI VI will provide broader diversification to the existing venture capital commitments in the OSU private equity portfolio. The existing OSU venture capital commitments consist primarily of seed and early stage funds with a higher risk profile. ***JMI VI is recommended for a \$10 million commitment.***

Private Equity Investment Opportunity- Executive Summary

Fund Name:	Kelso Investment Associates VIII	Date:	June, 2007
Fund Size:	\$5 Billion	GP Commitment:	At least 5%
Term of Fund:	10 Years	Investment Period:	Six Years
Strategy:	Leveraged Buyout	Due Diligence:	Cliffwater/Staff

Organization & People: Kelso & Company (Kelso) was formed in 1971 and is based in New York. Through most of the 1970's, Kelso acted as an advisory firm, assisting companies with structuring transactions that included Employee Stock Ownership Plans (ESOPs). Kelso is recognized as the firm responsible for the creation and development of ESOPs. Kelso formed its first investment partnership in 1980 and began investing in private equity transactions. Kelso commenced investing with its current, control-oriented strategy in 1984 with the launch of its second fund. Kelso makes private equity investments in middle market buyout companies and has managed close to \$5 billion of committed capital through seven previous funds. The group is currently raising its eighth buyout fund, Kelso Investment Associates VIII (Kelso VIII).

Kelso has 24 employees, including fifteen investment professionals. The firm has nine managing principals with an average tenure of approximately eighteen years at Kelso. All investment professionals participate in the firm's investment committee meetings. Additionally, all employees of Kelso invest in the funds and share in the carried interest. In addition to the commitment of 5% by Kelso (the General Partner), the principals and other employees of the firm may invest up to an additional 20% of the fund in portfolio company investments. This will help further align the interests of Kelso with its investors. Lastly, Kelso utilizes three outside directors that advise the firm on developing overall strategy and assist with portfolio company management. The directors have worked with Kelso for approximately fourteen years.

Investment Strategy & Process: Kelso VIII will focus on making control-oriented investments consisting of growing to relatively mature middle-market companies in a broad range of industries. Kelso will seek to invest in companies led by strong management teams. Kelso will structure investments to closely align portfolio company management's interests with those of investors. Kelso will add value post-investment by working with company management to plan and implement strategic and operational improvements that will increase equity value. Kelso assists management teams in growing their businesses through capital expenditures, acquisitions and expansions. Kelso stresses a long-term investment philosophy. The average holding period for realized investments has been approximately 66 months.

For each potential acquisition, Kelso assigns a deal team consisting of at least three investment professionals, which always includes a principal of the firm. Once a potential investment is identified, the deal team conducts an in-depth analysis of the company's operations, management, finances and industry. Additionally, the deal team will conduct a thorough review of the company's operating and financial business plan. This analysis helps formulate a financial and economic assessment. Kelso evaluates management's capabilities, integrity, character, commitment and depth prior to every investment. Kelso's investment professionals meet on a regular basis to discuss potential investments. Final investment decisions are decided by a majority vote of the investment committee, which is comprised of the principals of Kelso. Once an investment is made, Kelso's investment professionals are actively involved in reviewing operating and capital budgets, assessing new opportunities, designing and overseeing compensation incentive plans and hiring key employees. Lastly, exit opportunities are evaluated throughout the life of an investment. When determining the timing of a full or partial exit, Kelso evaluates the company's strategic progress, growth prospects, business environment and overall economic conditions.

Portfolio Construction & Diversification: Kelso VIII will seek to invest in a variety of industries, but with an emphasis on manufacturing and service businesses. Each transaction will require between \$50 million to \$600 million of equity. Kelso anticipates completing an average of 4-6 transactions per year and will have the ability to make investments in the first six years of the fund. It is anticipated that the fund will consist of 20-30 companies. Kelso VIII will not invest more than 20% of total commitments in any one company and will avoid start-ups. Additionally, Kelso VIII will not invest more than 20% of total commitments outside of North America.

Performance: Since 1984, Kelso has generated aggregate net performance of 24% through December 2006 across six funds that have followed the same investment strategy. During the same time period, the Russell 3000 index generated a 17% return. When compared on an individual basis to funds in the same vintage year, all of the previous Kelso funds rank in the first or second quartile. The databases used to compare the performance are

Private Equity Investment Opportunity- Executive Summary

Thomson Venture Economics and Cambridge Associates. Four of the previous funds rank in the first quartile and two in the second quartile when compared versus Thomson. When compared against the Cambridge database, three funds rank in the first quartile and three in the second quartile.

Management Fees/Expenses: The management fee for Kelso VIII will be 1.5% of total fund commitments during the first six years. After year six, the fee will be 1.0% of invested capital. Kelso will receive 20% of the profits (carried interest) after the investors receive 100% of their capital contributions plus an 8% net of fees return compounded annually (preferred return). Organizational expenses will be charged at the fund level, but will be capped at 0.1% of aggregate commitments. The fees for Kelso VIII are comparable to similar funds offered by competing firms.

Conclusion: Kelso is a well-established private equity investment firm with a seasoned senior investment team that has generated strong, consistent performance throughout various economic environments. Kelso follows a disciplined investment process and the firm's employees make a significant monetary commitment to each partnership. An investment in Kelso VIII will provide additional exposure and balance to the middle-market, leveraged buyout portion of the private equity portfolio. ***Kelso Investment Associates VIII is recommended for a \$10 million commitment.***

Hedge Fund Investment Opportunity- Executive Summary

Firm:	Och-Ziff Capital Management	Fund Name:	Och-Ziff Master Fund, Ltd.
Category:	Multi-Strategy	Product Assets:	\$15.6 Billion
Lock-Up Period:	Two Years	Due Diligence:	Cliffwater/Staff

Organization & People: Och-Ziff Capital Management (Och-Ziff) was founded in 1994 by Daniel Och and the Ziff family. Och-Ziff is based in New York and has additional offices in London, Tokyo, Hong Kong and Bangalore. Och-Ziff currently manages five hedge fund products globally with over \$23 billion in assets under management. The flagship multi-strategy vehicles account for \$15.6 billion of the assets. New investors are able to access the Och-Ziff Master Fund (OZMF) product through two feeder funds (one onshore and one offshore). The master fund and feeder funds have the same investment objectives and structure.

Och-Ziff has 267 employees, including 114 investment professionals and 83 individuals dedicated to operations. Ownership is spread amongst 44 members of the firm. The equity sharing plan has been expanding over the past several years as Daniel Och has reduced his ownership to less than 50%. Och-Ziff's investment teams are organized by strategy and led by a senior portfolio manager. The teams are broken down into coverage of U.S. equities, European equities, Asian equities, distressed credit, convertible arbitrage, special situations and real estate. Analysts in the U.S. and Europe cover specific sectors, while the analysts in Asia cover specific geographic areas.

Investment Strategy & Process: The objective of the OZ Master Fund is to achieve positive absolute returns that are uncorrelated with the equity market indices. Och-Ziff seeks to accomplish this objective through investing in several different investment strategies on a global basis. Och-Ziff follows a bottom-up, research driven process that is supported by a combination of qualitative and quantitative analysis. Capital preservation is a core component of Och-Ziff's strategy. The OZ Master Fund will have an event-driven bias that emphasizes selection of the most attractive risk/reward opportunities available.

Daniel Och oversees the investment process and is responsible for setting the allocation of the portfolio. Capital is allocated on an opportunistic basis across strategies and geographic regions. Each investment is compared to other potential uses of capital. The individual strategy teams are responsible for sourcing, analyzing and recommending potential investments in their respective areas. Och-Ziff utilizes a dedicated relationship manager to interact with financial intermediaries, sell side analysts and other data providers and then distributes information to the firm's research analysts. Securities are recommended after an extensive fundamental analysis. Compensation is based on total firm performance to help ensure that capital is deployed to the most attractive opportunities on an ongoing basis.

Portfolio Construction and Diversification: The OZMF makes investments across five underlying strategies in North America, Europe and Asia. The five strategies are merger arbitrage, equity restructuring, convertible/capital structure arbitrage, distressed credit and private market investments. Capital is allocated opportunistically across strategies and geographies. If opportunities are scarce, the OZ Master Fund will hold a larger cash position. Och-Ziff utilizes a conservative amount of leverage limited to arbitrage opportunities. As a result the total fund leverage ratio is around 1.25 to 1.

Below is a breakdown of the approximate portfolio allocation* as of April 1, 2007:

<u>Strategy</u>	<u>U.S.</u>	<u>Europe</u>	<u>Asia</u>	<u>Total</u>
Merger Arbitrage	5	7	2	14
L/S Equity Restructuring	31	19	10	60
Convertible Arbitrage	7	1	2	10
Distressed Credit	2	2	0	4
Special/Private Investments	5	3	4	12
Cash	0	0	0	0
TOTAL	50%	32%	18%	100%

*Please note that the allocation decisions are made on an opportunistic basis and will change over time. There are no pre-established limits or targets.

Hedge Fund Investment Opportunity- Executive Summary

Performance: Since its inception in April 1994 through March 2007, the OZMF has produced an annualized net return of 17.0% with standard deviation of 5.0%. During the same period, the HFRI Fund Weighted Composite Index returned 11.9% with a standard deviation of 6.8%. The resulting return/risk ratio was 3.4 for OZMF compared to 1.7 for the index. The OZMF has provided high excess returns compared to the benchmark with significantly less variability in returns. OZMF has only experienced one negative performing calendar year since inception. The 2002 calendar year return was -1.58%.

Fees & Liquidity: OZMF will charge a 2% annual management fee and 20% incentive fee. Administrative fees are expected to be less than 10 basis points. Redemptions from the fund can be made annually subject to a two year lock-up period. Och-Ziff can invest up to 20% of the portfolio in side pockets. Side pockets are used for less liquid investments that lack a readily accessible market value.

Conclusion: Och-Ziff is a high quality and disciplined multi-strategy hedge fund manager that has delivered strong results over a long period of time. Management of the fund has been consistent and the team has grown to match the growth in assets under management. OZMF will provide a strategic addition to the existing multi-strategy hedge fund exposure in the existing portfolio. *The Och-Ziff Master Fund Ltd. is recommended for a \$30 million investment.*



Journalism Building and Derby Hall - Renovation
315-07-0220

Requesting Agency(s): SOCIAL AND BEHAVIORAL SCIENCES ADMIN
Requesting Agency(s): JOURNALISM & COMMUNICATION, SCHOOL OF
Location(s): Derby Hall, Samuel C. 66,130 ASF/115,263 GSF **Age:** 1906
Location(s): Journalism Building 47,019 ASF/85,792 GSF **Age:** 1974

Description:
This project will renovate selected offices, classrooms, study and research spaces in the Journalism Building and Derby Hall for the School of Communications.

Project Information:

How does this project advance the Academic Plan? This project will advance the Academic Plan by providing state-of-the-art academic experiences for undergraduate students.

Outstanding Funding Issues: None

Timing Issues: None

"Ripple effects" of the project: None

Special limitations/risks: None

Deferred Maintenance: This project will address \$61,000 in deferred maintenance.

Deferred Renewal: None

Source of Funds:	Amount
General Funds-Social & Behav Sci	\$1,491,444.00
Total:	\$1,491,444.00

Schedule:	BoT Approved Amt.	Projected	Revised	Actual
PLANNING				
Arch/Engr Approved by BoT	\$1,491,444.00	06/01/2007		
CONSTRUCTION				
Construction Start		07/06/2008		
Completion		12/01/2008		

Project Team:
Project Manager: Faye Bodyke (bodyke.3@osu.edu) Project Coordinator: Andrea Cuthbert (cuthbert.11@osu.edu)

Core and Medical Campus Projects

- Journalism Building and Derby Hall - Renovation
- Morrill Tower - Fresh Express
- Postle Hall - Dean's Office Renovation
- Rhodes Hall - 10th and 11th Floor Epilepsy Monitoring Unit
- Smith Laboratory - Third Floor Renovation Phase I
- University Hospitals - Emergency Department



Office of Business and Finance / Board of Trustees Meeting

June 1, 2007





Postle Hall - Dean's Office Renovation

315-07-2210

Requesting Agency(s): DENTISTRY ADMINISTRATION

Location(s): Postle Hall, Wendell D.

169,109 ASF/278,169 GSF Age: 1950

Description:
This project will renovate the Dean's suite which includes office, reception area, and conference rooms.

Project Information:
The project scope includes new exterior windows, ceilings, lighting and flooring.

How does this project advance the Academic Plan? This project advances the Academic Plan by enhancing the environmental conditions for University employees.

Outstanding Funding Issues: None

Timing Issues: None

"Ripple effects" of the project: None

Special limitations/risks: None

Deferred Maintenance: This project will address approximately \$140,000 of deferred maintenance.

Deferred Renewal: None

Source of Funds:	Amount
Development-Dentistry	\$159,000.00
General Funds-Dentistry	\$159,000.00
Total:	\$318,000.00

Schedule:	BoT Approved Amt.	Projected	Revised	Actual
PLANNING				
Arch/Engr Approved by BoT	\$318,000.00	06/01/2007		
BIDDING				
Bidding Approved BoT	\$318,000.00	06/01/2007		
CONSTRUCTION				
Construction Start		03/17/2008		
Completion		04/21/2008		

Project Team:
Project Manager: Richard Morse (morse.68@osu.edu) Project Coordinator: Curt Handschug (handschug.1@osu.edu)



Rhodes Hall - 10th and 11th Floor Epilepsy Monitoring Unit

315-07-2104

Requesting Agency(s): UNIVERSITY HOSPITALS

Location(s): Rhodes Hall-University Hospital

234,178 ASF/480,976 GSF Age: 1979

Description:

This project will upgrade eight patient rooms and renovate administrative area to provide an Epilepsy Monitoring Unit.

Project Information:

This project is being submitted for approval to enter into design contracts and construction contracts.

How does this project advance the Academic Plan? This project will advance the Academic Plan by supporting the clinical, teaching and research missions at The Ohio State University.

Outstanding Funding Issues: None

Timing Issues: None

"Ripple effects" of the project: None

Special limitations/risks: None

Deferred Maintenance: This project will address approximately \$430,000 of deferred maintenance.

Deferred Renewal: None

Source of Funds:

Auxiliaries-OSUMC Health Systems

Amount

\$652,697.00

Total:

\$652,697.00

Schedule:

BoT Approved Amt.

Projected

Revised

Actual

PLANNING

Arch/Engr Approved by BoT

\$652,697.00

06/01/2007

BIDDING

Bidding Approved BoT

\$652,697.00

06/01/2007

CONSTRUCTION

Construction Start

04/01/2008

Completion

09/30/2008

Project Team:

Project Manager: Abu Saleh (saleh.16@osu.edu)

Project Coordinator: Curtiss Ashley (ashley.6@osu.edu)



University Hospitals - Emergency Department Expansion

315-2006-916

Requesting Agency(s): UNIVERSITY HOSPITALS

Location(s): Rhodes Hall-University Hospital

234,178 ASF/480,976 GSF Age: 1979

Description:

This project will renovate space to provide a Critical Decision Unit and relocate the Patient Transportation Services and Facilities Shop.

Project Information:

This project is the result of the first phase of implementation of a feasibility study completed in December 2005. The study was commissioned to ensure that any expansion of the Emergency Department capacity occur in a manner consistent with the longer range growth identified in the Medical Center Facilities Master Plan - South Campus Implementation project.

How does this project advance the Academic Plan? This project will advance the Academic Plan by expanding the Emergency Department to facilitate and utilize new technology, enabling the Ohio State University Medical Center's Emergency Department to remain a Level One Trauma Center. This project will also increase the department's ability to meet the needs of the local community.

Outstanding Funding Issues: None

Timing Issues: None

"Ripple effects" of the project: None

Special limitations/risks: None

Deferred Maintenance: This project will address approximately \$1,200,000 of deferred maintenance.

Deferred Renewal: None

Source of Funds:

Auxiliaries-OSUMC Health Systems	\$1,871,819.00
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Total:	\$1,871,819.00
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Schedule:

	BoT Approved Amt.	Projected	Revised	Actual
PLANNING				
Arch/Engr Approved by BoT	\$1,871,819.00	06/01/2007		
CONSTRUCTION				
Construction Start		02/21/2008		
Completion		06/20/2008		

Project Team:

Project Manager: Lance Timmons (timmons.19@osu.edu)

Project Coordinator: Curt Handschug (handschug.1@osu.edu)



Lima Campus - Agricultural Building Addition

315-2006-910

Requesting Agency(s): LIMA CAMPUS

Location(s): Lima Agriculture Building

8,789 ASF/11,450 GSF Age: 1999

Description:

This project will provide an addition to the Agricultural Services Building on the Lima Campus, which will accommodate the consolidation of the regional Cooperative Extension Services staff. The project scope includes office space, reception area, conference rooms, work areas, restroom facilities, and a demonstration area, as well as technology upgrades.

Project Information:

How does this project advance the Academic Plan? The expansion will provide space for the consolidation of Extension Services staff and enhance the quality of the faculty and staff work environment through the upgrade of technology.

Outstanding Funding Issues: None

Timing Issues: None

"Ripple effects" of the project: None

Special limitations/risks: None

Deferred Maintenance: None

Deferred Renewal: None

Source of Funds:

General Funds-Lima

Amount

\$1,319,749.00

Total:

\$1,319,749.00

Schedule:

BoT Approved Amt.

Projected

Revised

Actual

PLANNING

Arch/Engr Approved by BoT

\$1,303,942.00

04/07/2006

04/07/2006

Arch/Engr Advertisement (Columbus Dispatch)

06/07/2006

06/07/2006

DESIGN

Arch/Engr Contract

07/10/2007

01/17/2007

Schematic Design Approval

03/27/2007

03/27/2007

Design Dev Document Approval

03/27/2007

03/27/2007

Construction Document Approval

05/21/2007

BIDDING

Bidding Approved BoT

\$1,319,749.00

06/01/2007

Bid Opening

07/11/2007

CONSTRUCTION

Construction Start

01/04/2008

09/14/2007

Completion

09/21/2008

04/14/2008

Project Team:

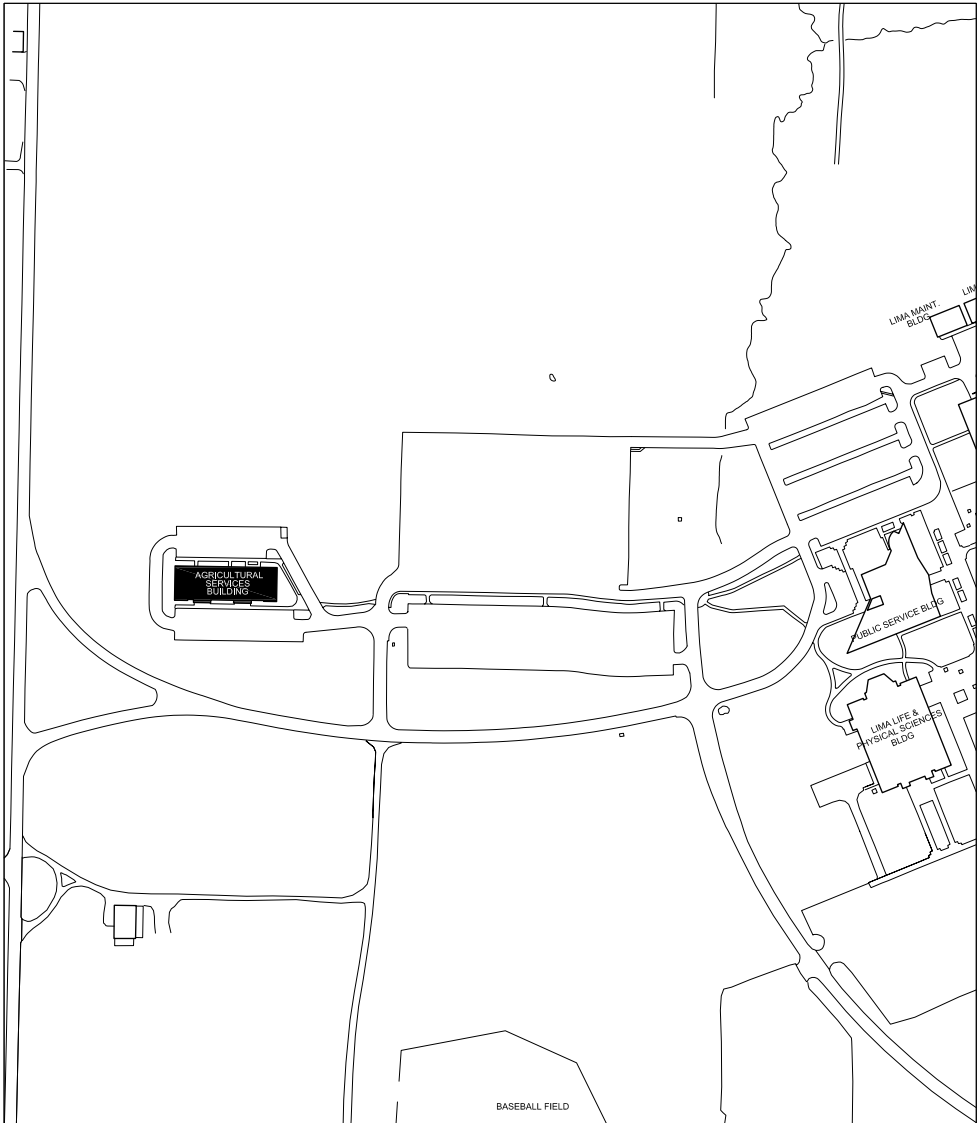
Project Manager: Nikolina Sevis (sevis.2@osu.edu)

Project Coordinator: Leeanne Chandler (chandler.63@osu.edu)

MILLER / WATSON ARCHITECTS - Design

Lima Campus

- Agricultural Building Addition



Office of Business and Finance / Board of Trustees Meeting

June 1, 2007





Morrill Tower - Fresh Express

315-07-0100

Requesting Agency(s): STUDENT AFFAIRS, OFFICE OF

Location(s): Morrill Tower, Justin S.

199,325 ASF/324,504 GSF Age: 1967

Description:

This project will renovate the Morrill Tower food service area, replacing the previous food service functions to the newly-developed "Fresh Express" service concept. The focus of the menu will be on items that are prepared fresh such as "tossed to order" salads, a deli station and a "grilled to order" station.

Project Information:

Improvements include new interior and exterior signage; new lighting; new kitchen layout and equipment. The construction budget reflects electrical, lighting and plumbing work required to adapt the space. There was also a considerable amount of wall tile could not be saved and reused, as originally anticipated.

How does this project advance the Academic Plan? This renovation supports the Academic Plan by enhancing the quality of residence hall life by providing a healthful alternative dining option.

Outstanding Funding Issues: None

Timing Issues: None

"Ripple effects" of the project: None

Special limitations/risks: None

Deferred Maintenance: This project will address \$9,750 in deferred maintenance.

Deferred Renewal: None

Source of Funds:	Amount
Auxiliaries-Student Affairs SA Fund	\$527,973.00
Total:	\$527,973.00

Schedule:	BoT Approved Amt.	Projected	Revised	Actual
PLANNING				
Arch/Engr Approved by BoT	\$432,243.00	11/03/2006		11/03/2006
DESIGN				
Arch/Engr Contract		03/09/2007		03/19/2007
BIDDING				
Bidding Approved BoT	\$527,973.00	06/01/2007		
CONSTRUCTION				
Construction Start		06/15/2007		
Completion		08/20/2007		

Project Team:

Project Manager: Nikolina Sevis (sevis.2@osu.edu)
GIESEKE ROSENTHAL ARCHITECTURE - Design

Project Coordinator: Leeanne Chandler (chandler.63@osu.edu)



Smith Laboratory - Third Floor Renovation Phase I

315-2006-911

Requesting Agency(s): ENGINEERING ADMINISTRATION

Location(s): Smith Laboratory, Alpheus

134,125 ASF/219,438 GSF Age: 1950

Description:

This project will renovate space on the third floor of Smith Laboratory for the College of Engineering. The project will provide lab and office facilities for research associated with the Wright Center for Innovation - Center for Multifunctional Polymer Nanomaterials and Devices.

Project Information:

Phase II of this project still needs to be developed. The conceptual budget for this phase reflects more construction complexity that was discovered during design. The building HVAC system does not support the design requirements, resulting additional construction work (new penetrations and duct work).

How does this project advance the Academic Plan? Renovation of third floor space in Smith Laboratory will provide space to support new research grants within the College of Engineering.

Outstanding Funding Issues: None

Timing Issues: None identified at this time.

"Ripple effects" of the project: Construction schedule for this project will be coordinated with Physics researchers relocation to the new Physical Sciences Research Building.

Special limitations/risks: None

Deferred Maintenance: This project will address \$46,250 in deferred maintenance.

Deferred Renewal: None

Source of Funds:

Amount

Grant-Wright Center of Innovation WCI-CMPND

\$455,166.00

Total:

\$455,166.00

Schedule:

PLANNING

Arch/Engr Approved by BoT

\$370,441.00

04/07/2006

04/07/2006

DESIGN

Arch/Engr Contract

06/19/2006

03/30/2007

04/04/2007

Schematic Design Approval

05/23/2007

Design Dev Document Approval

05/23/2007

Construction Document Approval

05/31/2007

BIDDING

Bidding Approved BoT

\$455,166.00

06/01/2007

CONSTRUCTION

Construction Start

09/04/2006

06/27/2007

Completion

02/28/2007

08/17/2007

Project Team:

Project Manager: Nikolina Sevis (sevis.2@osu.edu)

Project Coordinator: Leeanne Chandler (chandler.63@osu.edu)

CAMP DRESSER & MCKEE, INC. - Design

PRATER ENGINEERING ASSOCIATES - Design



OSU Extension Safety Improvements in Madison County (Pass-Thru)

315-07-1553

Requesting Agency(s): AGRICULTURAL ADMINISTRATION

Location(s): See Project Information

ASF/0 GSF Age:

Description:
This project will provide funds for various improvements at the Madison County fairgrounds. Project includes improvements to electrical systems; paving roads; upgrading lighting; installing a public address system; roof repairs; water line replacements; and structural improvements to key buildings.

Project Information:
This project will provide benefit to the Madison County 4-H program.

How does this project advance the Academic Plan? This project advances the academic plan by improving program facilities which support the teaching and research missions of the University.

Outstanding Funding Issues: None

Timing Issues: None

"Ripple effects" of the project: None

Special limitations/risks: None

Deferred Maintenance: None

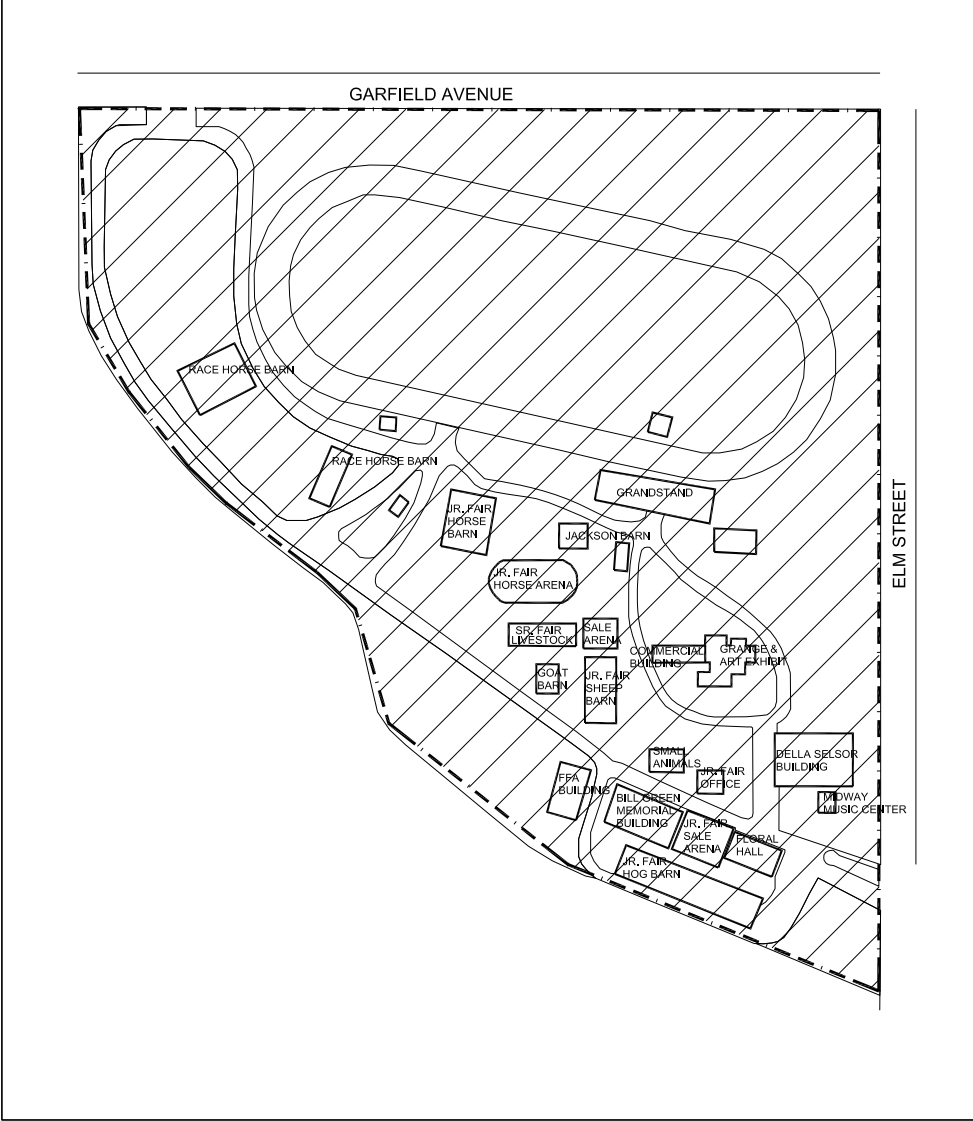
Deferred Renewal: None

Source of Funds:	Amount
HB699 Line Item Appropriation	\$94,000.00
Total:	\$94,000.00

Schedule:	BoT Approved Amt.	Projected	Revised	Actual
CONSTRUCTION				
Construction Start		07/01/2007		
Completion		09/01/2007		

Project Team:
Project Manager: Ruth Miller (miller.2495@osu.edu)

Project Coordinator: Leeanne Chandler (chandler.63@osu.edu)



Office of Business and Finance / Board of Trustees Meeting

June 1, 2007



LONG-TERM LEASE RENEWAL

CREATIVE LIVING FACILITY
150 WEST 10TH AVENUE
COLUMBUS, OHIO

Location and Description

Creative Living Housing Corporation is a non-profit organization offering assisted housing to students with physical disabilities. One of the properties operated by Creative Living Housing Corporation is leased from the University and located at 150 West 10th Avenue, Columbus, Ohio.

Creative Living Housing Corporation has 5 years remaining on a lease for 25 years. There is a 25-year renewal option under the current lease. Creative Living Housing Corporation is interested in refinancing the HUD held mortgage secured by the lease to obtain a lower interest rate. HUD will refinance the mortgage if Creative Living Housing Corporation can obtain a lease for a minimum term of 50 years. HUD will accept a 25-year term with a 25-year renewal option as compliance with the requirement. Creative Living Housing Corporation has given notice that it will exercise its renewal option under the current lease. Creative Living Housing Corporation requests that the University grant an additional renewal option of 25 years.

The refinancing of the mortgage to a lower interest rate will generate funds so Creative Living Housing Corporation can make needed improvements to the building on the site.

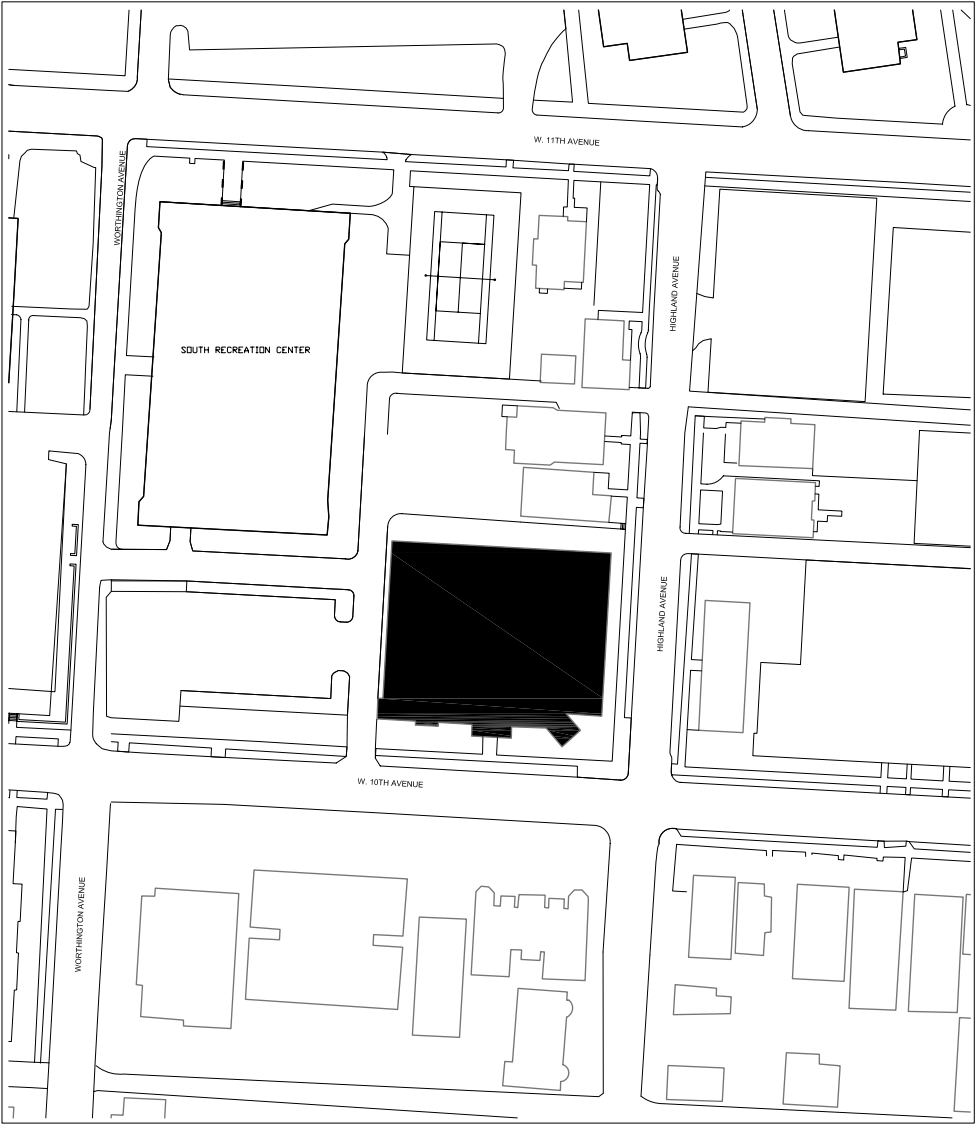
Terms of Lease

The lease term shall be for a renewal option of 25 years.

Rent for the property will be \$1.00 annually.

Long Term Lease Renewal Option

- Long Term Lease - Creative Living Facility, 150 West 10th Avenue, Columbus, Ohio



**The Ohio State University Board of Trustees
Fiscal Affairs Committee
June 1, 2007**

TOPIC:

Gift of Property – Hawk's Nest Golf Course – Second Reading

CONTEXT:

The University has been presented with the opportunity to obtain by gift, 193.52 acres of land located in Creston, Ohio approximately 11 miles north of the OSU ATI Wooster Campus. The gift of land includes the Hawks Nest Golf Club which is an 18-hole public golf course located on this site. The gift includes the land, buildings and equipment associated with the golf course. The fair market value of this property is approximately \$4,100,000 in "as is" condition with an additional \$500,000 of golf course equipment.

Hawks Nest Golf Course was built in 1993 and is currently rated a 4.5 out of 5 star golf course according to Golf Digest placing it among North America's 201 best public-access courses. Hawks Nest is well known in Northeast Ohio as a premier golf course and attracts avid golfers from Cleveland and surrounding areas.

RECOMMENDATION:

This proposal differs from the initial proposal brought before the Board at May 4, 2007 Board of Trustees meeting in the following specific ways:

1. This is an outright gift with no requirement for additional payment
2. There are no restrictions on selling all or part of the property
3. Academic goals have been clearly articulated (Attachment A)
4. The business plan is being independently validated (Attachment B)
5. A back up strategy has been developed along with an appropriate trigger and reporting mechanism (Attachments C and D)

ATI would like to accept this gift and the College of Food, Agricultural and Environmental Sciences supports this proposal. ATI believes the property supports their academic mission by serving as a learning laboratory for several of their key instructional programs. ATI also welcomes the opportunity to operate the golf course and believes it can at least break even. However, in the event this is not the case and the golf course experiences losses, a proposal is included to set aside a reserve to cover possible operating losses and to implement an exit strategy if needed.

CONSIDERATIONS:

- Have the concerns raised by the Fiscal Affairs Committee at the May 4, 2007 meeting been addressed?
- Is accepting the transfer in the best interest of the University?
- How would acceptance of the property support the Academic Plan?
- What are the risks in accepting/not accepting the property?
- Have the risks associated with operating a golf course been mitigated?
- How well is ATI doing on its deficit reduction?
- Have the other options for use/funding of this property been identified?

REQUESTED OF THE FISCAL AFFAIRS COMMITTEE:

Approval of attached resolution

Academic Mission:

The applied nature of ATI's fifteen agricultural, horticultural, environmental and business programs makes this facility a highly valued learning laboratory. ATI's faculty and undergraduate and graduate students along with research scientists from OARDC can utilize the land and its resources for scientific research. There are over 50 course offerings at ATI that would incorporate the use of this land as a part of the course curriculum.

The preliminary environmental site assessment noted that the property has three ponds and a stream and wetland characteristics were observed. If indeed, the site is deemed to include a wetland, this will create an additional and welcome opportunity for many College faculty and students. The College, including ATI & OARDC, has more than 15 faculty members who focus on environmental sciences, many of them specifically on wetlands. The College offers several interdisciplinary programs that would benefit from the opportunity to use wetlands for courses and research. However, this assessment was not a wetlands determination report; such an assessment is the sole authority of the U.S. Army Corps of Engineers and may need to be completed.

ATI feels it could very easily achieve an enrollment increase of 10 to 15 students per year through the recruitment potential of Hawks Nest.. This could amount to \$100,000 to \$150,000 in additional revenue per year.

Examples of ATI Programs that would benefit:

- Professional Golf Management
A pending college curriculum for aspiring PGA Professionals will provide students the opportunity to acquire the knowledge and skills necessary for success in the golf industry. Students not accepted at the Columbus Campus due to the selective admissions process, would have the opportunity to enroll initially at ATI and then transfer to the Columbus Campus to complete their degrees.
- Turf Grass Management
This program involves the science and business of using turf grass. All turf grass students complete two courses in golf course management.. Students can use the site as a land laboratory to gain experience in turf grass maintenance and design and construction of golf courses.
- Sports/Commercial Turf Equipment
Program involves the maintenance, applications, trouble-shooting, repair and rebuilding of commercial mowers, reel equipment, and other types of outdoor power equipment.
- Horticultural Science
This program includes the study of landscape horticulture, crop science, turf science and grounds management. Students can utilize the vast landscape to study woody and herbaceous plant materials, plant disease, and design and construct landscape including features as terraces, flowerbeds, fences and walkways. Arboriculture students can use the course as a primary site for tree-care and pruning.
- Environmental Resources Management
This program involves finding solutions to critical issues of air pollution, water quality, soil erosion, and waste management. Technical courses include the study of environmental resources, regulated waste management, and other business applications.
- Agricultural Commerce/Business Management:
Students study business and agriculture. Technical courses include accounting, personnel management, advertising and promotion, HR management and small business management.

Proforma Assumptions:

The attached proforma reflects three scenarios related to the financial projections associated with the operations of the golf course. These proformas have been independently reviewed and approved by the office of Resource Planning and OSU Athletics. We have also asked an outside golf course management firm to review these proformas. That review is expected to be completed by the June 2007 Board of Trustees meeting. These three scenarios are based on the following assumptions:

Likely Scenario Assumptions

- Use worst historical revenue generating year (2006) as base with 4% increase in revenue per year
- 2007 Personnel expenses based on FY 2007 OSU pay grades
- All years based on January-December calendar year
- Annual \$76,000 lease to own equipment paid off in July 2006
- Renewal & Maintenance expense = 2% of estimated original cost
- Capitalized equipment increased \$20,000 per year
- 2006 Taxes estimated based on 2005 data
- University Overhead 3.4% of (revenue minus cost of sales)
- House rental estimated at \$750 per month
- Includes contingency
- FY2007 Building & Grounds/Maintenance includes: chemicals, \$46,275, Fertilizer, \$11,895, Misc, \$17,830

Less Optimistic Scenario Assumptions

- Use worst historical revenue generating year (2006) as base with 0% increase in revenue per year
- 2007 Personnel expenses based on FY 2007 OSU pay grades
- All years based on January-December calendar year
- Annual \$76,000 lease to own equipment paid off in July 2006
- Renewal & Maintenance expense = 2% of estimated original cost
- Capitalized equipment increased \$20,000 per year
- 2006 Taxes estimated based on 2005 data
- University Overhead 3.4% of (revenue minus cost of sales)
- House rental estimated at \$750 per month
- Includes contingency
- FY2007 Building & Grounds/Maintenance includes: chemicals, \$46,275, Fertilizer, \$11,895, Misc, \$17,830

More Optimistic Scenario Assumptions

- Use worst historical revenue generating year (2006) as base with 5.5% increase in revenue per year
- 2007 Personnel expenses based on FY 2007 OSU pay grades
- All years based on January-December calendar year
- Annual \$76,000 lease to own equipment paid off in July 2006
- Renewal & Maintenance expense = 2% of estimated original cost
- Capitalized equipment increased \$20,000 per year
- 2006 Taxes estimated based on 2005 data
- University Overhead 3.4% of (revenue minus cost of sales)
- House rental estimated at \$750 per month
- Includes contingency
- FY2007 Building & Grounds/Maintenance includes: chemicals, \$46,275, Fertilizer, \$11,895, Misc, \$17,830

Hawks Nest Financial Projections FY2005 to FY2010

	2005 Actual (Hawks Nest)	2006 Actual (Hawks Nest)	2007 Proposed (OSU)	2008 Proposed (OSU)	2009 Proposed (OSU)	2010 Proposed (OSU)
Likely Scenario						
Total Revenue	\$866,904	\$781,740	\$817,510	\$854,890	\$889,086	\$924,649
Expense						
Compensation	\$267,637	\$217,110	\$344,875	\$362,761	\$381,773	\$401,994
Supplies & Services	\$601,145	\$482,738	\$373,528	\$397,073	\$413,708	\$431,094
Equipment	\$0	\$0	\$27,000	\$30,500	\$34,000	\$36,500
Contingency	\$0	\$0	\$20,438	\$20,438	\$20,438	\$20,438
Total Expense	\$868,782	\$699,848	\$765,841	\$810,772	\$849,918	\$890,027
Annual Net Revenue	(\$1,878)	\$81,892	\$51,669	\$44,118	\$39,167	\$34,623
Carryforward Cash	n/a	n/a	\$51,669	\$95,787	\$134,954	\$169,577
Less Optimistic Scenario						
Total Revenue	\$866,904	\$781,740	\$781,740	\$781,740	\$781,740	\$781,740
Expense						
Compensation	\$267,637	\$217,110	\$344,875	\$362,761	\$381,773	\$401,994
Supplies & Services	\$601,145	\$482,738	\$360,925	\$392,361	\$418,392	\$446,375
Equipment	\$0	\$0	\$37,000	\$42,000	\$47,075	\$51,229
Contingency	\$0	\$0	\$19,544	\$19,544	\$19,544	\$19,544
Total Expense	\$868,782	\$699,848	\$762,343	\$816,666	\$866,783	\$919,142
Annual Net Revenue	(\$1,878)	\$81,892	\$19,397	(\$34,926)	(\$85,043)	(\$137,402)
Carryforward Cash	n/a	n/a	\$19,397	(\$15,529)	(\$100,573)	(\$237,974)
More Optimistic Scenario						
Total Revenue	\$866,904	\$781,740	\$830,736	\$882,756	\$931,308	\$982,530
Expense						
Compensation	\$267,637	\$217,110	\$344,875	\$362,761	\$381,773	\$401,994
Supplies & Services	\$601,145	\$482,738	\$372,673	\$393,934	\$408,127	\$422,945
Equipment	\$0	\$0	\$27,000	\$30,500	\$34,000	\$36,500
Contingency	\$0	\$0	\$20,768	\$22,069	\$23,283	\$24,563
Total Expense	\$868,782	\$699,848	\$765,316	\$809,264	\$847,182	\$886,002
Annual Net Revenue	(\$1,878)	\$81,892	\$65,420	\$73,492	\$84,126	\$96,527
Carryforward Cash	n/a	n/a	\$65,420	\$138,912	\$223,038	\$319,565

Projection Percentages Used

Revenue %	1.04
Salary %	1.04
Benefits %	1.1
Supplies	1.04
Overhead	3.40%
Utilities Only	1.07
Contingency	2.5% of FY07 Revenue

Revenue %	1.00
Salary %	1.04
Benefits %	1.1
Supplies	1.07
Overhead	3.40%
Utilities only	1.10
Contingency	2.5% of Revenue

Revenue %	1.055
Salary %	1.04
Benefits %	1.1
Supplies	1.03
Overhead	3.40%
Utilities Only	1.05
Contingency	2.5% of Revenue

Hawks Nest Historical Summary

Rounds of Golf - Historical and Projected

Attachment B

	Actual Revenue, Expense, and Rounds/Hawks Nest											Likely Scenario - OSU			
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010			
Revenue	\$1,160,566	\$1,127,018	\$1,071,824	\$970,572	\$922,062	\$931,508	\$866,904	\$781,740	\$817,510	\$854,890	\$889,086	\$924,649			
Expense	\$908,193	\$946,637	\$986,417	\$998,431	\$888,436	\$877,148	\$868,783	\$699,848	\$765,841	\$810,772	\$849,918	\$890,027			
Net Activity	\$252,373	\$180,382	\$85,406	(\$27,859)	\$33,626	\$54,360	(\$1,879)	\$81,892	\$51,669	\$44,118	\$39,167	\$34,623			
Total Paid Rounds	37,485	35,368	32,631	28,205	27,459	27,502	24,869	22,155							
Total 18 Rounds	30,865	29,091	26,748	23,600	22,852	22,611	20,245	17,895	23,041	23,963	24,921	25,918			
Rev/Round	\$30.96	\$31.87	\$32.85	\$34.41	\$33.58	\$33.87	\$34.86	\$35.29	\$35.48	\$35.68	\$35.68	\$35.68			

Revenue/Rounds % Used

1.055	Optimistic
1.04	Likely
1.00	Worse

Less Optimistic Scenario - OSU

	2007	2008	2009	2010
Revenue	\$781,740	\$781,740	\$781,740	\$781,740
Expense	\$762,343	\$816,666	\$866,783	\$919,142
Net Activity	\$19,397	(\$34,926)	(\$85,043)	(\$137,402)
Total Paid Rounds				
Total 18 Rounds	22,155	22,155	22,155	22,155
Rev/Round	\$35.29	\$35.29	\$35.29	\$35.29

More Optimistic Scenario - OSU

	2007	2008	2009	2010
Revenue	\$830,736	\$882,756	\$931,308	\$982,530
Expense	\$765,316	\$809,264	\$847,182	\$886,002
Net Activity	\$65,420	\$73,492	\$84,126	\$96,527
Total Paid Rounds	23,374	24,659	26,015	27,446
Total 18 Rounds				
Rev/Round	\$35.54	\$35.80	\$35.80	\$35.80

Funding Alternatives to Help Support Golf Course Operations

Generate a \$500,000 to \$1,000,000 endowment to support operations – ATI has a great external and alumni support base especially in the turf grass industry. Many of these alums are in lucrative careers in the golf industry. ATI also has a relatively new development officer who is rapidly building the donor base. He is actively identifying leadership level gifts and is in the midst of discussions with a number of potential donors. He has already sensed a great deal of enthusiasm among potential donors.

- Sell portions of the land for residential development; establish endowment - potential exists to sell a few parcels of property on the north edge of Hawks Nest. This area has “utilities” installed already and could be sold for an estimated \$35,000-\$40,000 per parcel with an estimated 8 parcels available for development. Proceeds could be endowed to support future operations.
- Target alumni for membership/donations – ATI has approximately 5,600 alums and the University has identified approximately 46,000 alumni who live in northeastern Ohio. An aggressive fund raising initiative would be conducted to solicit funds in support of the golf course.
- Support has already been committed by Baker Vehicle Systems of Macedonia, Ohio to provide gift-in-kind usage of equipment during the year for ATI students; they are willing to expand their donation for use at Hawks Nest and will provide specific equipment as needed for classes. Similar arrangements are also under discussion with Century Equipment (Toro) and Xenia Power Equipment (John Deere).
- Rent out the house at ~ \$750.00 per month, or ~\$9,000 per year.



Business and Finance

108 Bricker Hall
190 North Oval Mall
Columbus, OH 43210-1362

Phone (614) 292-7970
Fax (614) 292-2820

Subject: ATI/Hawk's Nest
Date: May 21 2007
From: Bill Shkurti *WJS*
To: Bob Moser

The purpose of this memo is to follow-up our discussions at President's Cabinet regarding managing the financial risks associated with the proposed gift of Hawk's Nest Golf Course to ATI. By structuring this proposal as an outright gift with the ability to sell all or part of the land, we have reduced the financial risks considerably.

Nonetheless, the less optimistic scenario shows a potential cumulative loss of \$238,000 over the next four years. Consequently, we discussed having ATI set aside a reserve of \$250,000 for this purpose. This reserve will be held in a separate interest bearing restricted account for use only with the joint approval of the Vice President for Agricultural Administration and the Senior Vice President for Business and Finance. If the reserve is depleted, the Vice President Agricultural Administration will direct ATI to sell a portion of the property and take whatever steps are necessary to return to a break even status. Should the golf course meet or exceed projections, the reserve will be returned to ATI at the end of four years.

The Vice President for Agricultural Administration will report quarterly to the Executive Vice President and Provost and the Senior Vice President for Business and Finance on the financial status of the golf course. This information will be included in the quarterly financial report to the Board of Trustees.

If this is consistent with your understanding, let me know so we can include this in the Board materials.

cc: Joe Alutto
Kathy Dillow
David Frantz
Karen Holbrook
Melissa Krygier
Steve Nameth
Jim Schroeder
Mike Sherman
Barbara Snyder
Lee Walker

**THE OHIO STATE UNIVERSITY
BOARD OF TRUSTEES
FISCAL AFFAIRS COMMITTEE
JUNE 1, 2007**

TOPIC:

FY 2008 BUDGET

CONTEXT:

This is the third of four discussions about the FY 2008 Current Funds Budget

SUMMARY:

Because the state budget is still unfolding, only two actions are recommended for vote at this meeting:

- Approval of user charges for self-supporting auxiliaries, including the health system
- Approval of an interim budget for the period between 6/30/07-7/13/07

The remaining actions necessary to implement the FY 2008 Current Funds Budget will be presented at the July 13th meeting.

CONSIDERATIONS:

- What will be presented at the July 13th meeting?
- What are the risks of operating on an interim budget for two weeks?
- What will we tell current and prospective students about possible tuition rates for Fall 2007?
- What will we tell our faculty and staff regarding possible reallocations for FY 2008?
- What are our goals in the Senate?

REQUESTED OF FISCAL AFFAIRS COMMITTEE:

Approval of the attached resolutions regarding user fees for self-supporting auxiliaries and an interim budget.

Discussion and advice regarding remaining current funds budget issues.

FY 2008 Budget Update

- I. Prior Board Actions
- II. Action Requested at This Meeting
- III. User Charges
- IV. Health System Budget and Charges
- V. Supplemental Instructional Fees
- VI. Items of Concern for the Senate
- VII. What Happens Next

I. Actions Taken at Previous Meetings

- A. April 6 –
 - 1. Implications of Governor's recommendations
 - 2. Financial benchmarks
- B. May 4 –
 - 1. Implications of House budget
 - 2. Preliminary recommendations for graduate and professional fees
 - 3. Human resources benchmarks

II. Actions Requested at This Meeting

- A. Approve user fees for self-supporting auxiliary operations, including the Health System
- B. Approve interim budget to allow the University to operate between June 30 and the July 13, 2007 Board of Trustees meeting
- C. First reading only for supplemental instructional fees that do not affect all students

III. Designated User Fees

- A. Fees and Charges listed below are required to provide activities and services which are self-supporting and receive no state support or tuition dollars.

Fees and Charges

(All figures are for an academic year of three quarters)

Mandatory for All Students	Current Amount	Dollar Increase	Percent Increase
Recreation Fee ¹	\$234	\$9	3.8%
Health Insurance ²	\$1,365	\$69	5.0%
COTA Bus Pass	\$27	0	0.0%

Non-Mandatory			
Room & Board ³	\$7,236	\$345	4.7%
Parking ⁴	\$72	\$3.60	5.0
Football Tickets ⁵	\$116	\$4	3.5
Basketball Tickets ⁶	\$11	\$50	4.5

IV. The Ohio State University Health System Fiscal Year 2008 Budget and Fee Increases

The Ohio State University Health System budget for Fiscal Year 2008 is built on the strategic and financial plans of the organization. It provides a significant increase in Total Operating Revenues that will exceed \$1.5 billion, an increase of \$151.3 million or 11.1% compared to the FY 2007 forecast. Of the \$151.3 million growth in total revenues, approximately \$16.5 million is generated through the weighted average 7.6% price increase and \$134.8 million is generated through contractually agreed rate increases, additional volume and new programs. As a result, the FY 2008 budget provides a positive gain from operations of \$102.7 million compared to a FY 2007 forecast of \$97.7 million. The Health System is budgeting Earnings before Interest, Depreciation and Amortization (EBIDA) of \$171.3 million compared to the FY 2007 forecasted EBIDA of \$161 million.

Key Statistics and Activities:

	<u>2008 Budget</u>	<u>2007 Forecasted</u>	<u>%Change</u>
Admissions	58,562	56,584	3.5%
Patient Days	337,625	328,719	2.7%
Length of Stay	5.77	5.81	(.7)%
Average Daily Census	925	901	2.5%
ED Visits	106,602	101,740	4.8%
Outpatient Visits	921,864	881,108	3.8%
Surgery Cases	31,049	30,785	.9%
FTE 's	8,469.7	8,018.5	5.6%
Weighted Price Increase for UH, UHE, OSU James, and OSU/Harding			7.6%
Weighted Average Salary Increase			4.45%

¹ This is a flat fee for four credit hours and above.

² Based on "Single Student Comprehensive Rate".

³ Weighted average room rates and basic meal plan. Individual rates may vary.

⁴ Rate is for West Campus.

⁵ Student football package is 4 games.

⁶ Per game – price varies between \$9.50-13.50 depending on location

In summary, The Ohio State University Health System budget for FY 2008 continues to reflect the expected growth in volume and improvement in margins consistent with the strategic and financial plans. The FY 2008 budget also meets the financial targets set in the long range financial plan by growing cash on hand by approximately four days, having an EBIDA margin of 11.4 % and debt service coverage of 8.1. The areas of sensitivity in the budget are; volume changes, payor mix shifts and service mix. With that said reaching the financial targets should be attainable.

- V. First reading for supplemental instructional fees that apply to some students (no vote requested):

Technology Fees	FY07 Rate	Dollar Increase	Percent Increase
College of Arts (Undergraduate & Graduate)	\$53	\$3	6%
College of Business (Undergraduate)	\$112	\$15	13%
College of Business (Graduate)	\$159	\$15	9%
College of Engineering (Undergraduate)	\$110	\$0	0%
College of Engineering (Graduate)	\$120	\$0	0%
College of Nursing (Undergraduate & Graduate)	\$50	\$3	6%
MAPS in CSE (Undergraduate)	\$73	\$0	0%
Dept of Engineering Physics (Undergraduate)	\$73	\$0	0%
School of Music (Undergraduate)	\$50	\$0	0%
School of Public Policy & Mgt (Graduate)	\$120	\$0	0%

Undergraduate Program Fee			
College of Biological Sciences	\$60	\$0	0%
College of Business	\$150	\$50	33%
College of Engineering	\$0	\$50	New
College of Nursing	\$50	\$0	0%
School of Allied Medical Professions	\$50	\$0	0%
School of Music	\$150	\$9	6%

Field Practicum Fee			
College of Social Work	\$0	\$50	New

Clinical Fees			
Optometry Clinic Usage Fee	\$340	\$0	0%
Dental Hygiene EFDA Fee (Continuing Students)	\$128	\$0	0%
Nursing Clinical Fee	\$250	\$0	0%

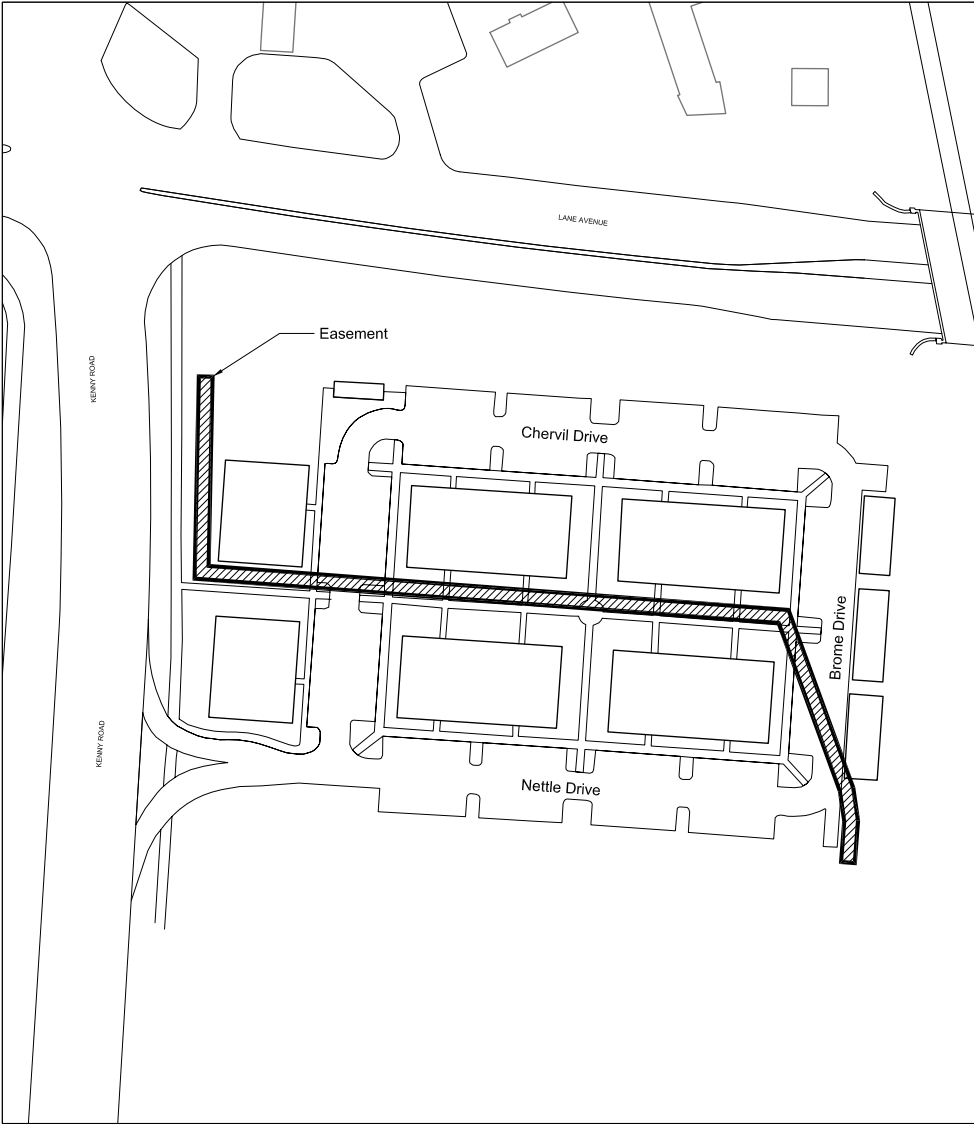
VI. Items of Concern for the Senate

- A. Maintain net funding levels at least as favorable as the House version.
- B. Clarify funding and language issues regarding innovation incentive.
- C. Address what happens to tuition if state support is not forthcoming as promised.
- D. Clarify efficiency requirements so that colleges and universities that have already made progress in this area are not penalized.

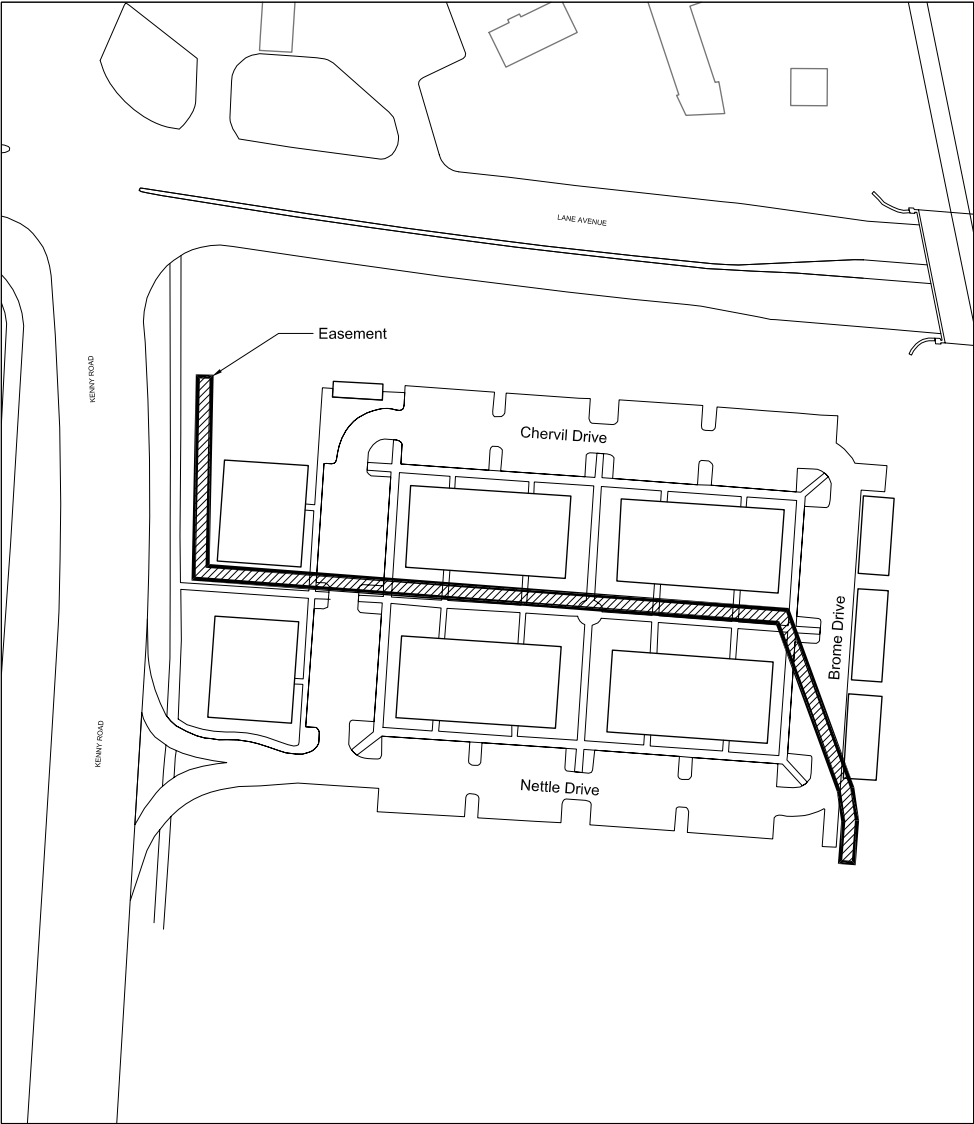
VII. What Happens Next

- A. Recommendations for tuition and instructional fee increases and the FY 2008 Operating Budget (including revenue and expense detail) will be presented for approval at the July 13, 2007 Board of Trustees meeting, along with instructional and general fees for regional campuses.
- B. The Current Funds Budget book will be presented at the September Board meeting.
- C. All fee increases will be effective Fall Quarter 2007, unless otherwise indicated.
- D. Pay raises for most faculty and staff will be effective October 1, 2007.

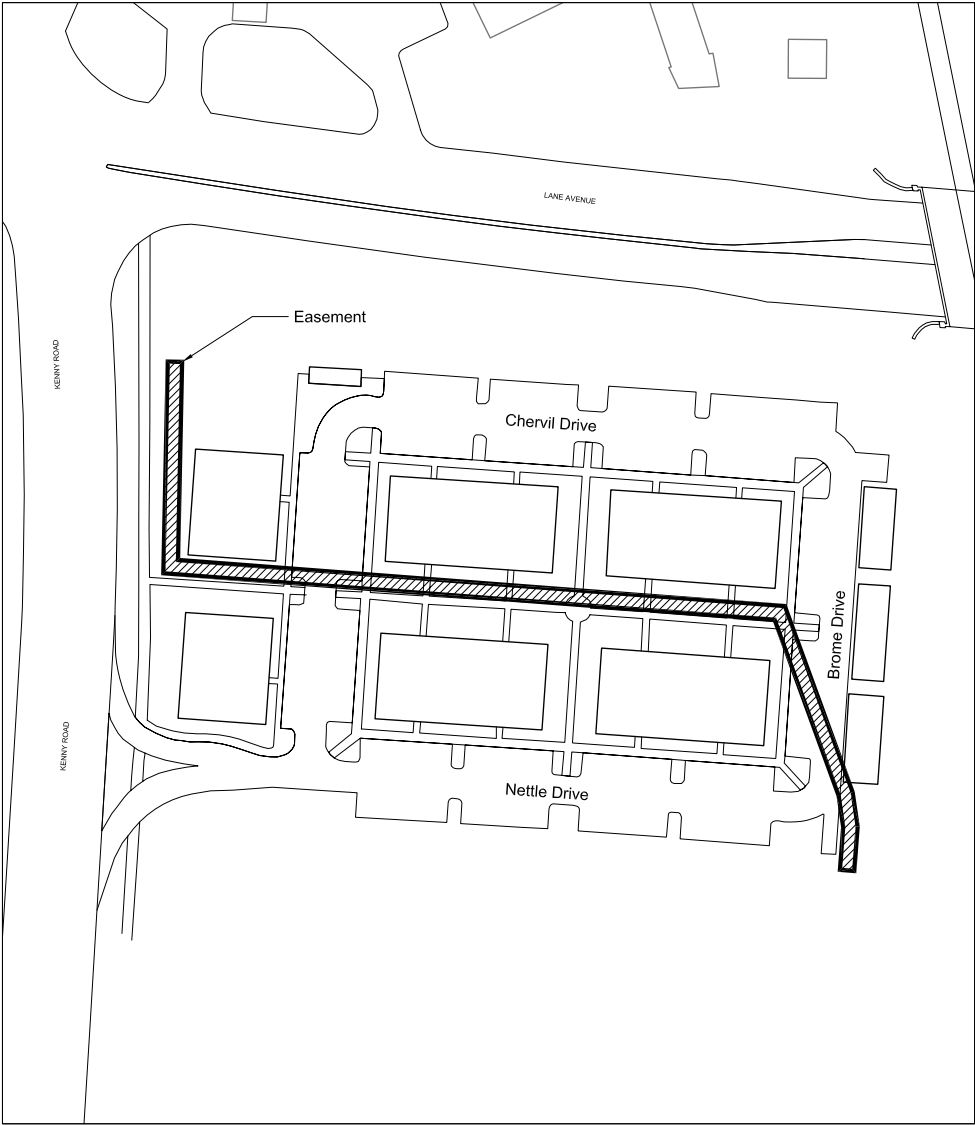
Easement Columbus Southern Power Company at Lane Kenny Residences



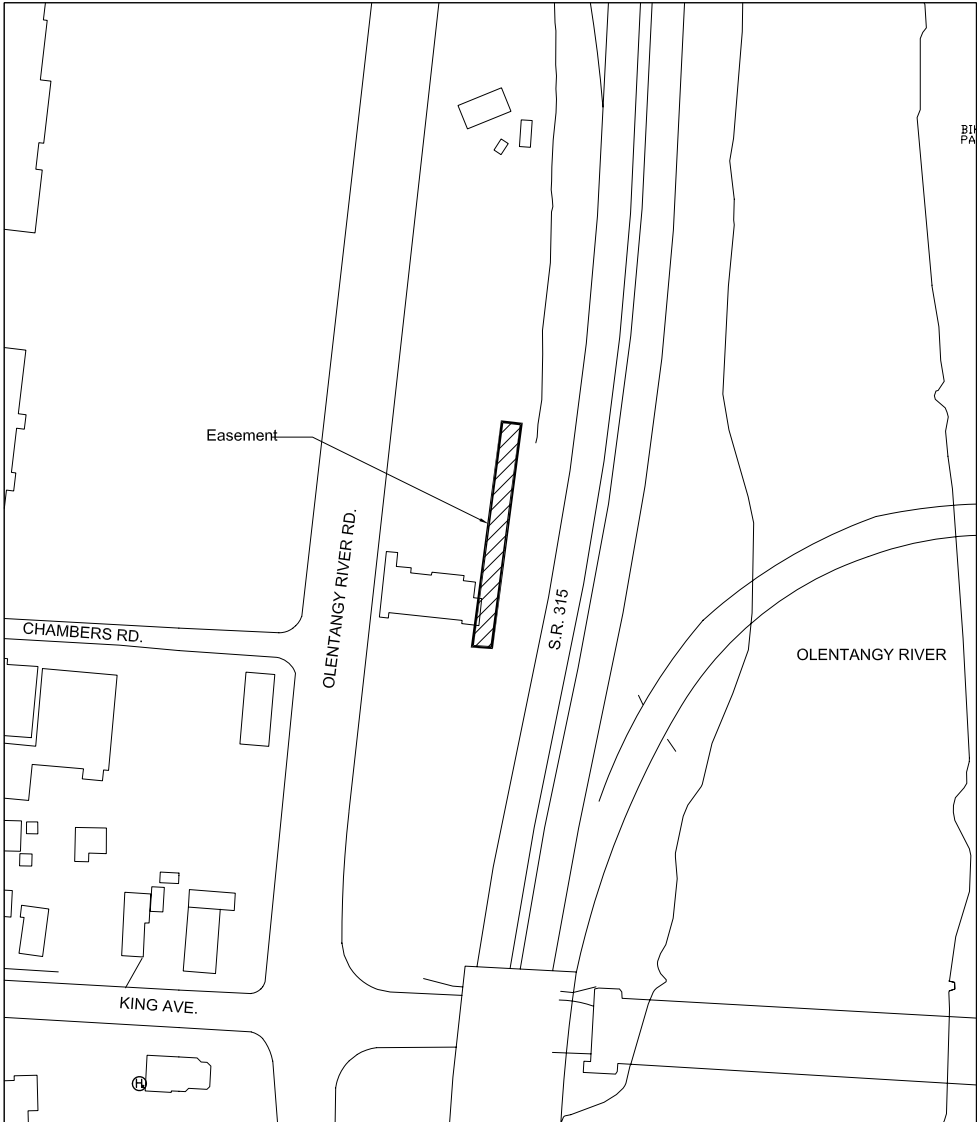
Easement AT&T Ohio at Lane Kenny Residences



Easement Time Warner Telecom at Lane Kenny Residences



Easement Lennox Retail LLC, 1570 Olentangy River Road, Columbus Ohio



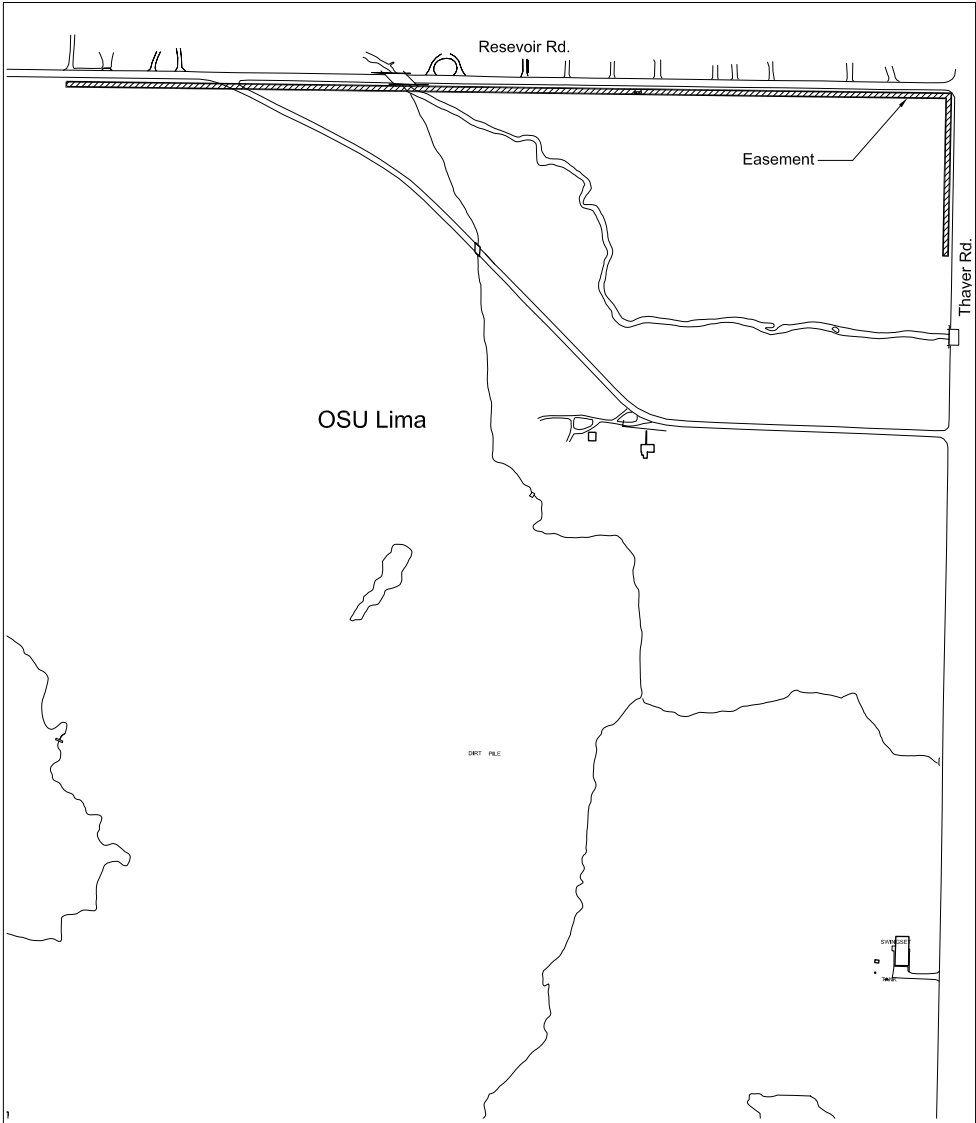
Office of Business and Finance / Board of Trustees Meeting

June 1, 2007



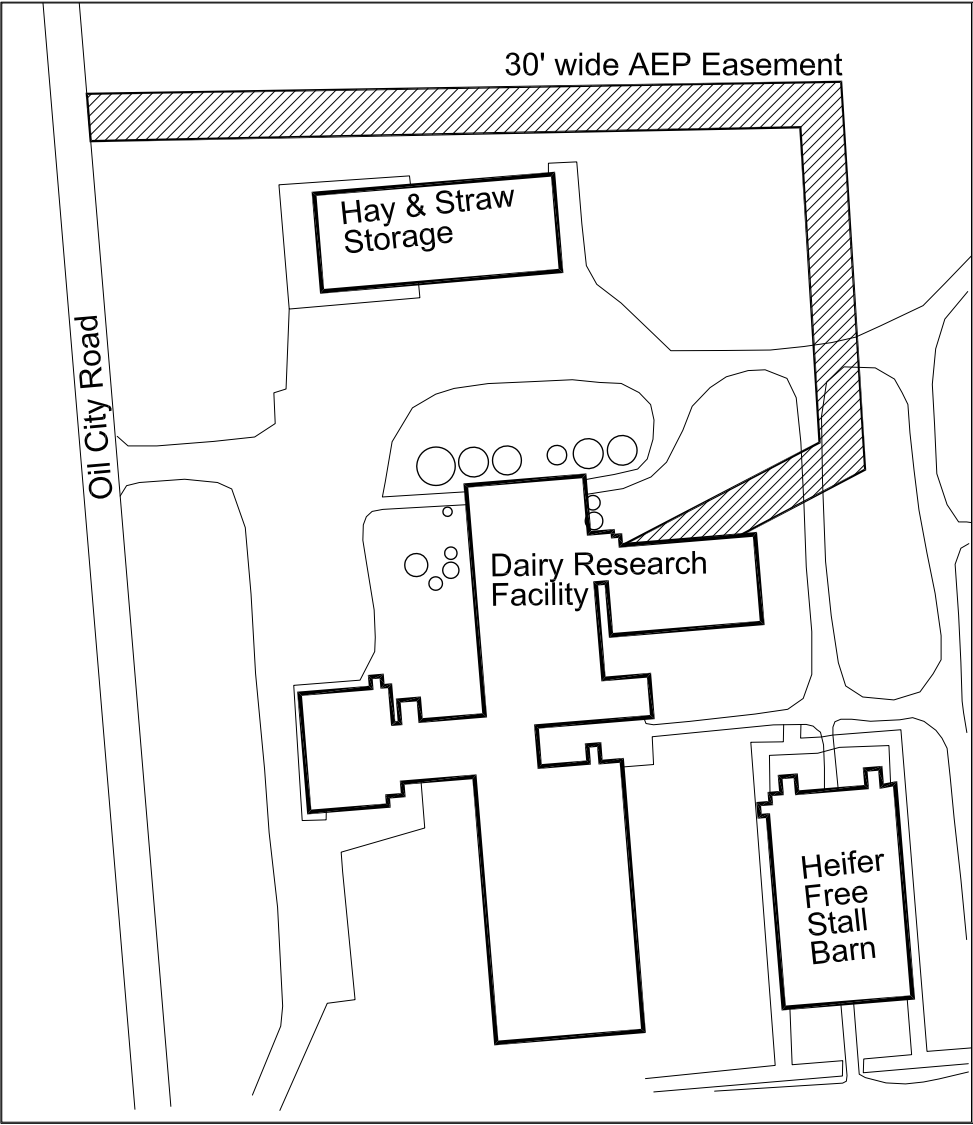
Easement Embarq Corporation, Lima Campus

- Embarq Corporation Easement 15' along Reservoir and Thayer Roads



Easement American Electric Power Company, OARDC

- American Electric Power Company Easement 30' wide by 825' along Oil City Road and connecting to the Krauss Dairy Center



Office of Business and Finance / Board of Trustees Meeting

June 1, 2007



Easement - Construction Easement Wayne County Commissioners, Wooster

- Easement to Wayne County Commissioners of 0.005 acres along Prairie Lane Road

